

2 June 2021



Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

KARLAWINDA GOLD PROJECT

COMMISSIONING UNDERWAY

The board of Capricorn Metals Ltd (Capricorn or the Company) is pleased to advise that its wholly owned Karlawinda Gold Project has commenced its commissioning phase.

Commissioning and operational preparation activities to date include:

- 40 kilometre lateral gas pipe line and delivery station are operational;
- 18MW gas fired power station is operational and has commenced electrification to sections of the project;
- Borefield for process water supply is operational and process water dam full, ready to commence filling CIL tanks;
- Tailings Storage Facility (stage 1 starter dam) constructed and ready for tailings discharge;
- 7.5MW ball mill fully installed, aligned and rubber lined. Commissioning of the variable speed drive motor is underway;
- Belts have been installed on all plant conveyors;
- Structural installation complete, mechanical and electrical installations nearing completion;
- Static commissioning of numerous items of equipment has commenced, in some cases with attendance and support from manufacturer technicians;
- Full operational workforce recruited, with most already mobilised to site to assist with commissioning and hand over from construction teams;
- In excess of 250,000 tonnes of ore on the ROM in readiness for commencement of processing;
- In excess of 4.0 million tonnes of Bibra open pit ore grade controlled;
- 1.2 million tonnes of ore exposed in pit, of which 300,000 tonnes is blasted stocks; and
- MACA Mining has mobilised the second 200T excavator (three in full fleet by December 2021) to site for mining ramp up required for full operations.

The current plan is to commence crushing and milling activities (full wet commissioning) in the middle of June 2021 allowing loading of gold in circuit (GIC). Gold production will follow shortly thereafter once GIC loadings are sufficient to allow efficient stripping of the circuit stocks for targeted first gold production by the end of June 2021.

The forecast total capital cost remains within the guidance range of \$165 – 170 million.

Capricorn Executive Chairman Mark Clark commented:

“The commencement of commissioning at the Karlawinda Gold Project is an exciting time for Capricorn. Our construction team and key contractors have done a great job to get the project to commissioning on time and budget against the significant headwinds of COVID-19, adverse weather and skilled labour shortages. We will now redouble our efforts to fully commission the processing plant and transition to operations as quickly and efficiently as possible.”

This announcement has been authorised for release by the Capricorn Metals board.

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Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.



Process water dam



Crushing circuit



Crushing circuit and ROM



7.5MW ball mill installed aligned and fully rubber lined. VSD motor commissioning underway.



18MW power station operational



ROM with in excess of 250,000 tonnes of ore