

29 July 2025

ASX:CMM

REGULATORY APPROVAL RECEIVED FOR DEVELOPMENT OF KARLAWINDA EXPANSION PROJECT GOLD PRODUCTION TO GROW TO 150KOZ PA

Capricorn Metals Limited (Capricorn or the Company) is pleased to report that the Government of Western Australian Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) has approved Capricorn's Mining Proposal and Mine Closure Plan (MPMCP) covering changes to permit the development of the Karlawinda Expansion Project (KEP).

This approval allows full development of the KEP, including:

- All expanded mining activities at Bibra, Southern Corridor and Berwick open pits;
- Construction and development of Tailing Storage Facility 2 (TSF2), additional ROM pad and extensions to the southern waste dump;
- Construction works of the expanded processing plant; and
- Other infrastructure development required for KEP.

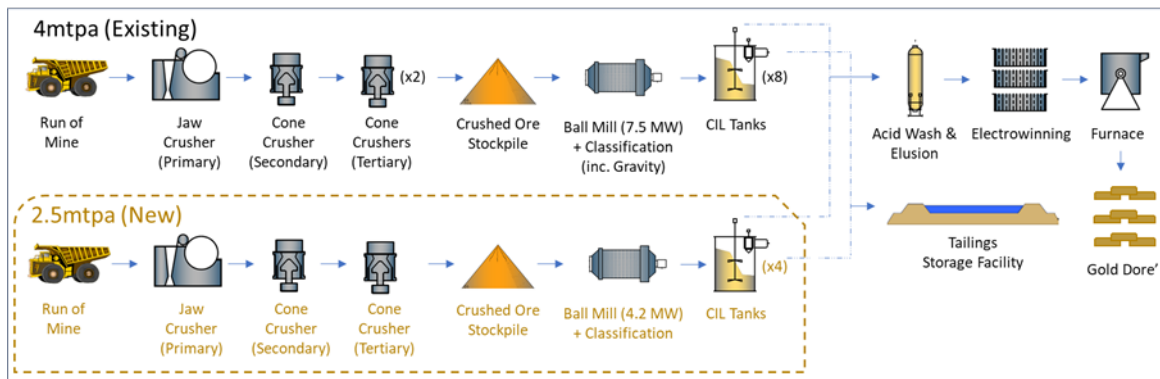
Approval for operational phase of the expanded process plant and TSF2, along with other ancillary approvals, are expected to be received as a matter of course as construction of those facilities is completed.

As noted previously and below, Capricorn has been advancing design, procurement and development work on the KEP to the extent possible prior to approval of the MPMCP. This leaves the Company in a strong position to successfully execute the circa 12 month development and construction project. An optimised project schedule and updated construction and development capital cost estimate are expected to be completed early in Q2. Full procurement and early site works will commence in the meantime.

Overview of Karlawinda Expansion Project

The KEP will incorporate the installation of a new parallel three-stage crushing and ball mill circuit (replicating the existing) to increase total processing capacity from 4Mtpa to 6.5Mtpa. The average annual gold production from the expanded KGP is expected to increase around 25% from current levels to the order of 150,000 ounces.

The parallel processing stream offers the flexibility of an independent run-of-mine (ROM) arrangement while maximising the use of existing infrastructure downstream of the CIL tanks. The selected flow sheet replication provides synergies in maintenance, training and spares. Existing gas infrastructure is capable to deliver the required increase in power generation with possible cost reductions through renewable energy to be considered in future studies.



Simplified Karlawinda Processing Plant Flow Sheet.

June 2025 Quarter Development Progress

Development activities at the KEP advanced during Q4 included:

- Extension of mining contract with MACA at existing unit rate pricing for a further 5-year term, with a Capricorn option for further extension. Importantly, the award includes the larger mining fleet required to deliver the increased mining volumes to service the 6.5mtpa ore feed to the KEP.
- Construction of the 164-room camp expansion (to accommodate construction personnel) continued with \$4.1 million spent during Q4 and construction largely complete.
- The process plant design scope progressed to approximately 60% complete and procurement works of critical path items continued. Construction equipment, conveyors and pump packages were committed, with a spend of \$4.2 million.
- Early clearing and bulk earthworks associated with the project commenced.

Capricorn Executive Chairman Mark Clark commented:

"We are really excited to have received approval for the construction and development of the Karlawinda Expansion Project. We have been working hard over the past 12 months to be as prepared as possible for commencement of the project and that should allow an expedited start to construction. We look forward to delivering a project that will lift gold production at the low cost, high margin Karlawinda operation by 25% to around 150,000 ounces per annum and should deliver significant value for Capricorn shareholders."

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.