

ACQUISITION OF MONGERS LAKE PROJECT CAPRICORN EXPANDS MT GIBSON PROJECT TENURE

Capricorn Metals Ltd (“Capricorn” or “the Company”) is pleased to advise that it has entered into a binding agreement with Albion Resources Limited (“ALB”) to acquire the prospective Mongers Lake Project tenement package (“Mongers Lake Project”). The Mongers Lake Project covers approximately 113 square kilometres of tenure located contiguous to the north of Capricorn’s Mt Gibson Gold Project (“MGGP”) in the Murchison region of Western Australia.

The Mongers Lake Project is considered highly prospective for gold mineralisation, featuring multiple settings conducive to hosting economic gold deposits. Capricorn has identified several target zones for exploration within the project tenure. The highest priority target is 8km along strike from the historic Julie Gold Mine of the Retaliation Goldfield, which was previously mined in the 1930-40s.

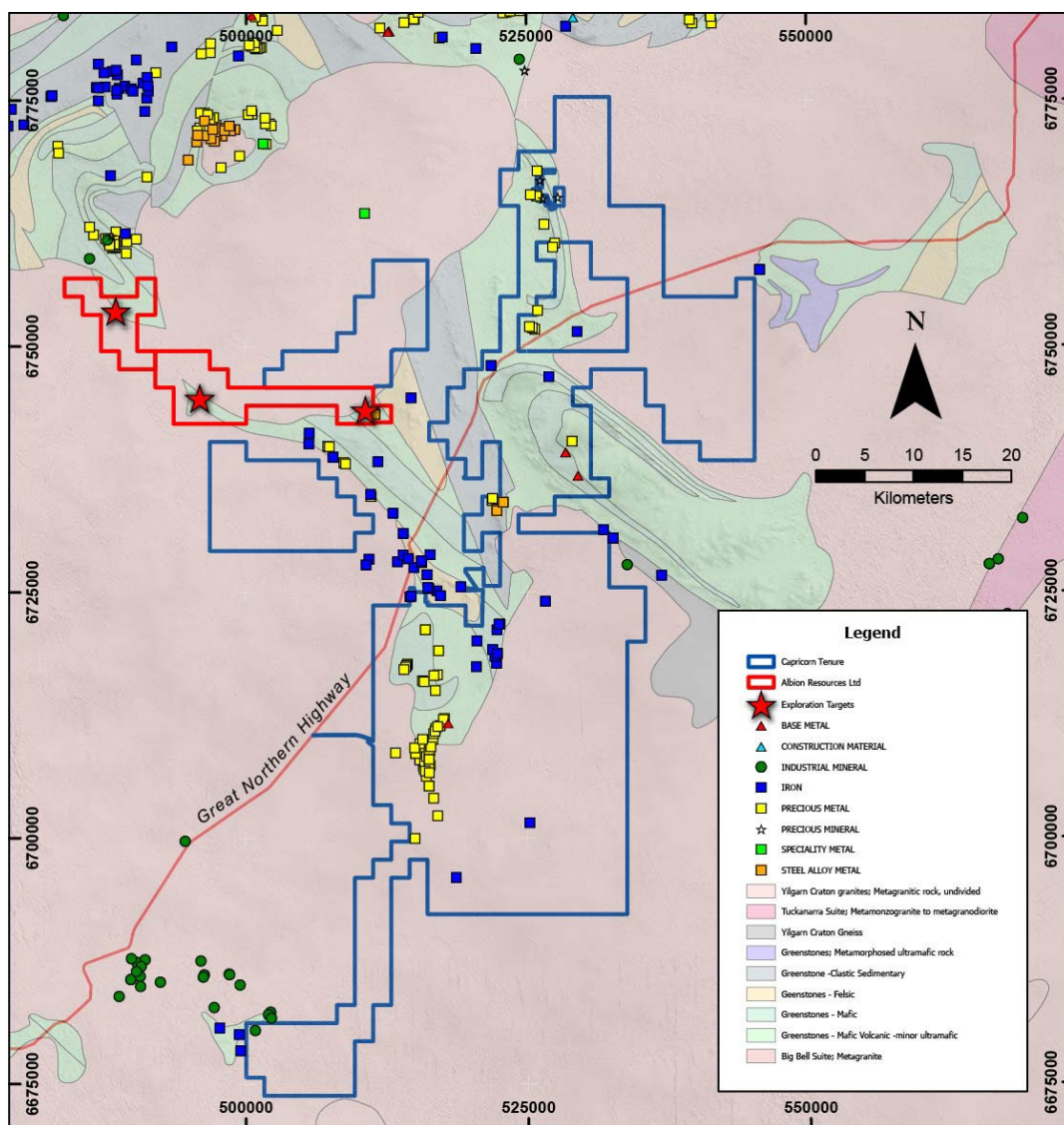


Figure 1 - Mongers Lake Project (Red), MGGP tenure and initial exploration targets.

The transaction consideration is \$1.5 million, of which Capricorn has paid an initial cash deposit of \$100,000 with the balance of consideration to be paid by the issue of Capricorn shares.

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The share issue consideration will be valued at the 20-day VWAP prior to completion occurring. Completion of the acquisition is expected in August 2025, being subject only to procedural due diligence and conditions precedent.

In addition, the Company has agreed to make contingent deferred payments as follows:

- \$750,000 in cash upon the announcement by Capricorn of a JORC compliant Mineral Resource Estimate in excess of 75,000 ounces of gold on the Mongers Lake Project; and
- \$750,000 in cash upon the announcement by Capricorn of a board decision to commence a commercial mining operation on the Mongers Lake Project.

Background on Mongers Lake Project

The Mongers Lake Project, located approximately 330 kilometres north-northeast of Perth, lies between the townships of Wubin and Paynes Find within the Yalgoo-Singleton Greenstone Belt of the Murchison Province in Western Australia. This region is well-regarded for its significant mineral discoveries. The Yalgoo-Singleton Greenstone Belt spans 190 kilometres and extends in a north-northwest direction from Mt Gibson to north of Yalgoo town. It hosts notable Volcanogenic Massive Sulphide (VMS) deposits, including the Cu-Pb-Zn-Ag-Au Golden Grove mine, and is also host to significant gold deposits such as Mt Gibson, Deflector, and Karara.

The project covers approximately 113 square kilometres of tenure, covering 9km of largely untested strike that is located contiguous to the west of Capricorn's MGGP tenure. The project is highly prospective for gold mineralisation, featuring multiple settings conducive to hosting economic gold deposits.

Capricorn has identified several drill ready target zones for exploration within the Mongers Lake Project. This zone is known for hosting gold mineralisation in metamorphosed sedimentary-felsic rocks containing feldspar, quartz rich tuff.

Capricorn will use a focused approach to fully understand and capitalise on the resource potential of the area. In Q2 Capricorn will commence broad scale geological and regolith mapping, and geochemical sampling to build on the understanding of the currently defined target areas. This work is designed to confirm targets for drilling in the second half of FY26.

Capricorn Executive Chairman Mark Clark commented:

"The acquisition of the Mongers Lake Project continues the expansion of Capricorn's Mt Gibson exploration footprint and adds highly prospective targets very close to the Company's current Mt Gibson resources. This provides Capricorn with an outstanding exploration opportunity with a view to adding meaningful additional ore sources to the Mt Gibson operation. We look forward to commencing active exploration on the project in 2025."

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.