

7 January 2026

ASX:CMM

KGP Q2 PRODUCTION 30KOZ ON TRACK FOR UPPER END OF FY26 GUIDANCE

Capricorn Metals Limited (**Capricorn** or the **Company**) is pleased to provide a preliminary update on December 2025 quarter (Q2) production at the Karlawinda Gold Project (**KGP**).

KGP delivered another strong quarter of operations, producing 30,476 ounces of gold, in line with the FY26 mine plan. This result sees the year to date gold production for KGP at 62,794 ounces and on track to achieve the upper end of FY26 guidance of 115,000 – 125,000 ounces at an AISC of \$1,530 - \$1,630 per ounce.

Operating statistics for the quarter are tabled below:

	<i>Unit</i>	Dec25Q	Sep25Q	Jun25Q	Mar25Q
Material mined	<i>BCM ('000)</i>	4,366	4,512	4,499	3,822
Ore milled	<i>t ('000)</i>	1,159	1,228	1,111	1,013
Head Grade	<i>g/t</i>	0.91	0.91	0.99	1.02
Recovery	<i>%</i>	89.9	90.3	91.4	91.7
Gold production	<i>Oz</i>	30,476	32,318	32,216	30,599

Continued achievement of the post expansion mining run rate allowed Capricorn to deliver both strong quarterly gold production and also the development requirements of the Karlawinda Expansion Project (**KEP**). The mining fleet achieved the planned pit face positions to achieve budget gold production while also delivering the required pre-stripping and infrastructure materials for the expansion project. Mining production rates have continued at the expanded project run rate for the KEP for the last three quarters.

Full operational and cost details will be provided in the Quarterly Report later in January 2026.

The Company's cash and gold on hand at the end of the December 2025 quarter was \$444.2 million (Sep25: \$394.4m). The cash build for the quarter was \$88.8 million (Sep25: \$71.8m) before total capital expenditure of \$39.0 million at the KEP and Mt Gibson Gold Project (**MGGP**).

Capital spend for the quarter at KEP, with on-site construction fully underway, totalled \$36.1 million. This included engineering and design, equipment procurement, civil, concrete, piping and tank construction activities and pre-production mining.

The capital spend on development activities at MGGP for the quarter was \$2.9 million, mainly focussed on finalising detailed design, early procurement activities and contract preparations. This early spend of part of the MGGP capital budget is a strategic decision to compress the ultimate construction timeline.

Following the approval of Karlawinda's Mining Proposal and Mine Closure Plan, by the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) in July 2025,

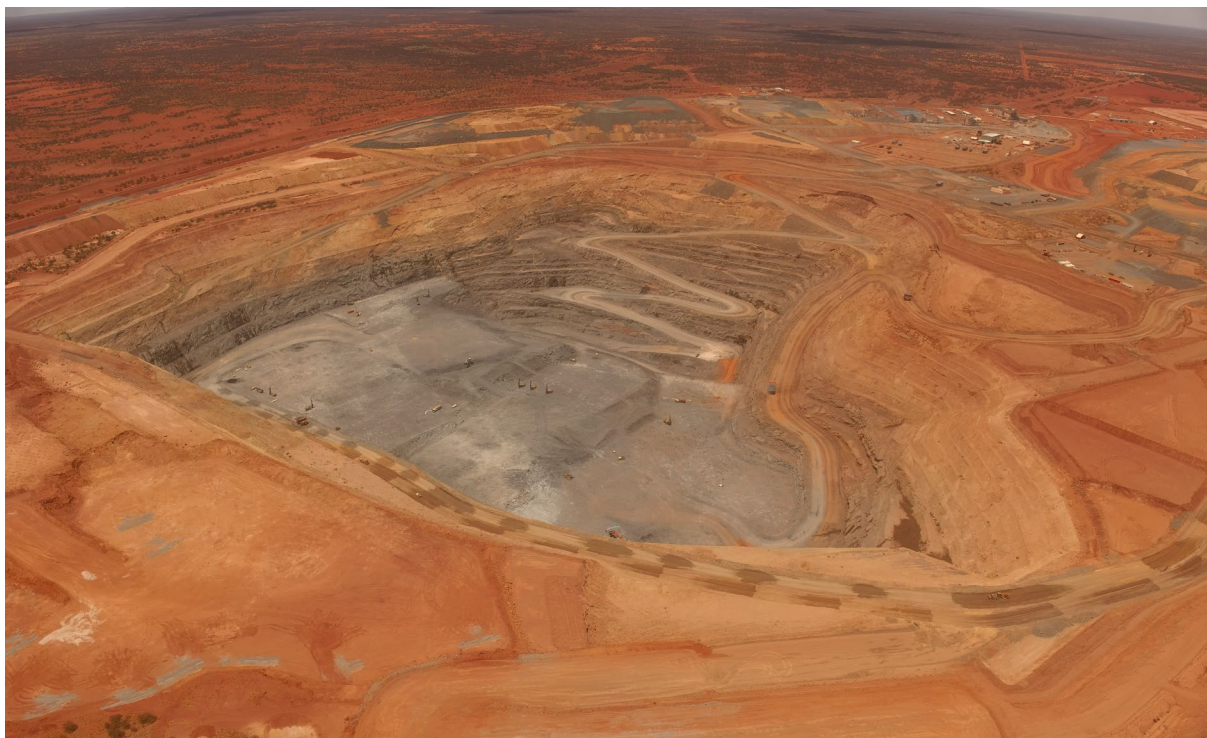
development activities at the KEP have advanced materially and progress made in the December 2025 quarter is summarised as follows:

- Bulk earthworks in the plant site were completed. Earthworks required for ROM Pad 2 and TSF 2 embankments were well advanced in the quarter;
- Concrete works in the plant site were progressed, with major pours in the milling, crushing and CIL areas completed. Over 70% of the plant site concrete is now poured;
- Delivery of critical path rolled and structural steel for CIL tanks was largely completed in the quarter;
- CIL tank welding and erection is 50% completed;
- Structural, mechanical and piping (SMP) contractors have been mobilised to site and large components in the crushing and milling areas have been handed over from the concrete contractor to the SMP contractor for structural steel and piping installation works to commence in January 2026;
- Mining activities have continued in the Berwick pit, with materials required for TSF2 civil works being prioritised;
- Excavation of the boxcut into the Bibra pit was completed in the quarter, facilitating multiple direct accesses to the pit going forward;
- The process plant design scope is 95% complete; and
- The jaw crusher and several other equipment packages were delivered to site in the quarter. The ball mill delivery is scheduled to arrive at site in early Q4 FY26, ahead of commissioning commencing in Q1 FY27.

Development activities at the MGGP continued to be advanced in the December quarter:

- Following the award of preferred contractor status for the mining services agreement to MACA, early works mine design and planning activities have commenced;
- Power supply contract evaluation continued;
- The process plant design scope was advanced to 98% completion in the quarter, with the focus shifting to tendering of the key construction scopes; and
- Capricorn submitted the final Public Environment Report (PER) to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in late Q1 FY2026. The document was then advertised for public review in the December quarter with final updates and assessment now to follow.
- Capricorn is also advancing the Environmental Review Document (ERD) for the Part 4, Western Australian Government assessment process with EPA Services, ahead of the upcoming public review phase. This process includes incorporating outcomes from the Federal DCCEEW assessment.

Further details of development and exploration activities will be provided in the Quarterly Report later in January 2026.



Karlawinda Gold Project – Bibra open pit (December 2025)



Karlawinda Gold Project – KEP project works

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.