

27 August 2020

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## MACA LIMITED SELECTED AS PREFERRED MINING CONTRACTOR FOR THE KARLAWINDA GOLD PROJECT

### HIGHLIGHTS

- Competitive process culminates in selection of MACA Ltd as preferred mining contractor for Capricorn's Karlawinda Gold Project.
- Contract value approximately \$400 million over initial five-year term.
- Preproduction mining activities to commence in the December 2020 quarter.
- MACA is a well established mining contractor, with significant experience and a proven track record in the Australian gold industry.
- Cost of mining services contract in line with Capricorn budget.

### Letter of Intent to Award Mining Contract

Capricorn Metals (ASX:CMM) (Capricorn or the Company) is pleased to announce that it has completed a competitive process for the contract for the first five years of mining of the Karlawinda Gold Project (KGP). Capricorn has issued a Letter of Intent (LOI) to award the contract to MACA Mining Pty Ltd, a subsidiary of MACA Ltd (MACA).

The LOI has been issued to MACA based on its price competitiveness and relevant experience of similar scale gold projects in Western Australia. MACA is a well-established and reputable contractor with a strong track record of operational, safety and environmental performance.

The cost of the mining services contract is in line with Capricorn's budget for mining costs over the five year contract term. With mining costs accounting for well over half of the project's total operating cost, this is an excellent outcome for the Company.

Mining activities will commence with ancillary works in the December 2020 quarter and open pit mining in the March 2021 quarter. The mining fleet will be comprised of new 200 tonne excavators, 180 tonne payload dump trucks, production blasthole drills and support equipment to move an average of 11 million bcm of ore and waste per year.

The contract includes an option at Capricorn's election to extend the contract term beyond the initial five year term.

### Capricorn Executive Chairman Mark Clark commented:

"The selection of a preferred mining contractor is the culmination of a competitive process that included a number of very competent Australian mining services providers. MACA was selected as the preferred contractor after submitting a compelling bid both in terms of price and execution. We look forward to partnering with MACA in the successful operation of the Karlawinda Gold Project."

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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.

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