9 December 2024 ASX: CMM



## ACQUISITION OF SYLVANIA PROJECT CAPRICORN SIGNIFICANTLY EXPANDS KARLAWINDA PROJECT TENURE

The board of Capricorn Metals Ltd ("Capricorn" or "the Company") is pleased to advise that it has entered into an agreement with Latitude 66 Ltd ("Latitude") to acquire the prospective Sylvania Project tenements covering approximately 1,740 square kilometres located contiguous to the Company's Karlawinda Gold Project ("KGP") tenure in the Pilbara region of Western Australia.

The transaction consideration is \$1.5 million, which Capricorn will settle through the issue to Latitude of fully paid ordinary Capricorn shares upon completion.

Further consideration includes the grant of a 1% net smelter royalty on the sale of all precious minerals and a 1.5% net smelter royalty in respect to the sale of non-precious minerals extracted from the Sylvania Project area. In addition, the Company has agreed to make contingent deferred payments as follows:

- \$750,000 upon the announcement by Capricorn of a JORC compliant Mineral Resource Estimate in excess of 200,000 ounces of gold on the Sylvania Project; and
- \$750,000 upon the announcement by Capricorn of a board decision to commence a stand-alone commercial mining operation on the Sylvania Project tenements

The share issue consideration will be valued at the 20-day VWAP prior to completion occurring. Completion of the acquisition is expected in December 2024.

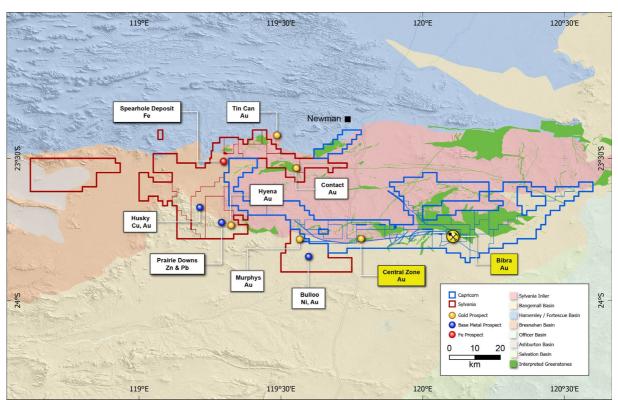


Figure 1 - Sylvania Project tenements (red) alongside existing KGP tenements

The Sylvania Project is located on exploration licences contiguous to Capricorn's existing KGP tenure and increases the company's holding of prospective Pilbara Craton greenstones and importantly two major fault structures (Baring Downs and Nanjilgardy Faults) known to host significant gold deposits. The Sylvania Project covers approximately 1,740 square kilometres and increases Capricorn's KGP tenement holding to approximately 3,800 square kilometres.

The Sylvania Project area encapsulates much of the craton margin of the western half of the Sylvania Dome, an inlier of Archean granitoid – greenstone terrain on the southern edge of the Hamersley Basin. Along the margin of the dome a sequence of meta/basaltic and meta/sedimentary rocks interpreted to be 2700 Ma Fortescue Group has been faulted against the granitoids.

Exploration for gold in the region has generally been limited with only early-stage work conducted, mostly during the mid-1990's. There has been little serious focus on gold and very few drillholes completed outside of the Prairie Downs base metals prospect despite there being substantial evidence for widespread gold mineralisation in the region.

Early-stage targets identified include Murphys, located 25km along strike from the highly prospective Central Zone, this has heritage-approved (though untested) drill lines, and Prairie Downs, where Bibra-aged Archean Greenstone has been mapped along with minor gold occurrences. The initial exploration efforts will focus on mapping and surface sampling to further refine targets. As part of the current regional Aircore drilling program, first-pass drilling at Murphys is scheduled for early 2025. Additional geophysical surveys, such as gravity surveys, will also be conducted. This work will identify further target areas for heritage surveys, allowing for initial Aircore testing in late 2025.

## **Capricorn Executive Chairman Mark Clark commented:**

"The acquisition of the Sylvania Project significantly expands the Karlawinda Gold Project exploration footprint and adds highly prospective areas to the tenure, including tenements directly along the strike of the Company's Central Zone prospect. This provides Capricorn with an outstanding exploration opportunity with a view to finding meaningful additional ore sources for the Karlawinda operation."

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

## For further information, please contact:

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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.

