24 November 2026

ASX: CMM

Chairman's Address to 2026 Annual General Meeting

Good morning ladies and gentlemen and welcome to this Annual General Meeting of Capricorn Metals Ltd.

As I'm sure shareholders are aware Capricorn has two high quality Western Australian gold projects, the proven high-margin mining operation at Karlawinda in the Pilbara and the exceptional development project at Mt Gibson in the Murchison.

Group Ore Reserves grew 33% in the past year to 5.24 million ounces, putting Capricorn in a great position in the Australian mid-tier gold sector.

Karlawinda continues to be a very profitable and predictable operation. In the five years since we started the project it has returned $1 billion in cash from 600,000 ounces of gold production, and still has a mine life of 10 years at 150,000 ounces a year.

I think Mt Gibson is widely regarded in the industry as a stand out pre-development asset in the mid-tier space. It has 3.7 million ounces of gold reserves, a 19-year mine life and forecast steady-state production of 260,000 ounces a year. Together our projects give us a fully funded pathway beyond 400,000 ounces per annum, with the potential to go beyond 500,000 ounces per annum in the medium term.

Shareholders should consider the unique position of quality of Capricorn's assets in the Australian gold sector. There are 13 ASX listed Australian producing gold projects with more than one million ounces of Ore Reserves. Capricorn owns two of them. Mt Gibson and Karlawinda sit comfortably among mostly older and higher cost assets and our Reserves are calculated at conservative gold prices, with the ounces close to the mill. I believe we have two of the highest quality projects in that group and I think that quality and scarcity will be to Capricorn's advantage in the medium term.

From a financial perspective FY26 was a defining year for Capricorn. The excellent operating performance of the Karlawinda Gold Mine allowed the company to take advantage of the strong gold price to generate an operating cashflow of $470 million and a net profit after tax of $327 million.

At the end of the financial year the company had $508 million of cash and bullion on hand and this has continued to grow to $535 million by the end of September.

FY26 saw Capricorn pay its first fully franked dividend of 5 cents per share in April, which we followed with another 5 cents per share final dividend in October. Subject to the gold price, it is the board's intention to continue dividends in parallel with developing the Mt Gibson project over the next couple of years.

Karlawinda produced a record 124,000 ounces of gold in FY26 at an industry leading AISC of $1,629/oz. This was an excellent result delivered by the team on site as it was done safely and at the same time as we completed a major capital project to expand the processing facilities from 4 to 6.5 million tonnes per annum.

The expansion was commissioned in September, on time and on budget, an outstanding result by our team in a tight labour market. The project is backed by Reserves of 1.57 million ounces after another successful biennial update, maintaining a ten-year mine life at 150,000 ounces a year.

Turning now to Mt Gibson, which continues to grow into a very impressive scale and quality project. I think it now stands clearly as one of the best undeveloped gold projects in the country.

We continue to work our way through the permitting process. To this end we achieved a very significant milestone in June this year when we were issued our Federal environmental permit. With this in hand we are now working to get the State permit. We have now passed the public exposure period and are progressing through the final stages of the process in the lead up to a decision from the State EPA.

During this time we have not stood still. In fact the drilling and studies that we have done at Mt Gibson in the last 3 years have added huge value to the project. In those three years the Mt Gibson Ore Reserve has increased 250% to 3.7 million ounces and now includes a maiden underground reserve of 365,000 ounces, which is becoming a game changer for the project.

The updated PFS we released this year is the first time we have included underground mining in the project forecast. The project is now expected to deliver steady-state production of 260,000 ounces a year and a 19-year mine life, at an AISC of A$1,870 an ounce. At a gold price of A$5,500, the project pre-tax NPV is $6.1 billion from $12 billion of free cash flow.

We are ready to begin site development as soon as the state approval is received. Key construction and operating contracts have been progressed subject to permitting and long lead equipment is being committed where these commitments are advantageous to the development schedule. As a result of this level of preparation we expect the build to be compressed to about 15 months.

I know it has been a journey but I assure you that the project will be worth the wait. It is robust, ready to execute and offers Capricorn both industry relevant scale and compelling further growth potential.

The Orion South underground is the first position to get through to resource and reserve, and it boosts the production profile from 150,000 ounces per annum to 260,000 ounces per annum yet that inventory is still very much in its infancy. Drilling at Orion South in the September quarter returned 21.8 metres at 9.5 grams, is still open at depth and has now defined more than 1,600 metres of prospective strike.

Importantly we also believe the maiden underground reserve at Orion South is just the beginning of the potentially mineable underground inventory at the project. The multiple known high grade zones give us a great opportunity to grow the underground with Orion South being the position that gets it underway and provides access to the broader UG development opportunity.

With that in mind the bulk of our underground drilling in recent months has been at Lexington, located about 600 metres north of Orion South. Lexington is a distinct, higher-grade intrusion-related system dipping at around 80 degrees.

Around 26,700 metres were drilled at Lexington and Hornet during the September quarter. The results extend two north-plunging lodes below the reserve pit outline, including 6 metres at 57 grams and 29.5 metres at 6.7 grams, and the deepest hole remains open. A maiden Lexington underground resource is expected this quarter.

Growing the high-grade underground feed is what underpins our Range 500 aspiration.

Range 500 is our aspiration to reach 500,000 ounces a year production within five years. It contemplates a steady-state Mt Gibson with a surplus of high-grade underground material, which is what the drilling continues to suggest. The Range 500 strategy recognises that there is a practical limit to how much open-pit ore at Mt Gibson we can displace with high-grade underground feed.

So the question is how do we maximise the value of this potential “surplus” high grade underground inventory? This is where the Warriedar Resources acquisition that we made last year comes in to the plan.

Through the Warriedar acquisition we hold more than 4,500 square kilometres across the belt, including a 1.4 million ounce resource at Golden Range about 80 kilometres north of Mt Gibson, linked to Mt Gibson by an established haul road.

The early concept is a to build a 1.5 to 2.5 million tonne per annum processing hub at Golden Range, treating Golden Range open pit ore plus surplus high-grade underground ore trucked from Mt Gibson. The site has infrastructure and permitting advantages with no identified Federal permitting issues. Preliminary study results are expected in the near term, targeting a PFS and FID in calendar 2027.

So, this brings our plans for the next 5 years in to focus. Karlawinda, now expanded to 150,000 ounces per year, is expected to keep delivering for more than a decade. Mt Gibson Stage 1 delivers 260,000 ounces per annum, taking us beyond 400,000 ounces per annum.

Golden Range and further underground growth could provide the next leg taking Capricorn production beyond 500,000 ounces per annum, all internally funded, with our current $535 million of cash and gold holdings and no debt.

I think Shareholders should be excited about the company's future with Capricorn being in a unique position of having high margins and industry leading growth.

Mark Clark
Executive Chairman

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

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