Capricorn Expands KGP to 1.43 M Ounces of Gold

Capricorn Metals (ASX: CMM)

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Capricorn Metals Karlawinda Mine

Capricorn Metals	ASX: CMM
Stage	Production, development, exploration
Metals	Gold
Market cap	A$2.1 B @A$5.46
Location	Western Australia
Website	www.capmetals.com.au

KGP ORE RESERVE INCREASES TO 1.43 MILLION OUNCES, EXPANSION STUDY UNDERWAY

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HIGHLIGHTS

• Karlawinda Gold Project (KGP) Ore Reserve Estimate (ORE) has increased by 15% to
1,428,000 ounces of gold from 1,247,000 ounces, an increase of 333,000 ounces (27%) after accounting for mining depletion.
• Capricorn group ORE increases to 3.3 million ounces.
• Based on the increased KGP ORE, Capricorn has initiated a study to consider a 2 – 2.5 million tonne per annum expansion of the (current 4.5mtpa) KGP operation. Study targeted for completion in Q2FY25.
• KGP Mineral Resource Estimate (MRE) has increased by 1% to 2,252,000 ounces from 2,228,000 ounces, an increase of 176,000 ounces (8%) after accounting for mining depletion.

Updated Ore Reserve Estimate

The Capricorn Board is pleased to announce that recent drilling at Bibra, the contiguous Southern Corridor deposit and Berwick at the KGP has contributed to a significant increase in the ORE to 1,428,000 ounces of gold.

The drilling successfully targeted conversion of Inferred resources to Indicated in the area of the resource immediately down dip of the 2023 reserve pit design, underpinning significant conversion to reserves.

The KGP JORC compliant ORE has been updated to 57.7 million tonnes at 0.8g/t gold for 1,428,000 ounces of gold, an increase of 181,000 ounces from the March 2023 estimate of 49.2 million tonnes at 0.8g/t gold for 1,247,000 ounces.

Highlights of the reserve update include:

• The ORE has increased by 333,000 ounces (27%) to 1,428,000 ounces after mining depletion of 152,000 ounces;
• Stripping ratio (waste:ore) remains low at 4.6 (2023: 4.0);
• Pre-expansion life of mine in excess of 13 years;
• Estimate uses lower cut-off grades of 0.3g/t (laterite & oxide ore) and 0.4g/t (transition & fresh ore) and a gold price of A$2,200 per ounce (circa A$1,500/oz lower than current spot price of $3,700/oz) was used for the ORE pit shells;
• Mine scheduling will continue to deliver the >0.5g/t mined ore to the mill and the 0.3 – 0.5g/t mine ore to a stockpile for processing in later years of the project;
• The >0.5g/t ore within the ORE is 38.6 million tonnes at 0.95 g/t for 1,167,000 ounces;
• The updated estimate has been refined to reflect knowledge gained through the first 3 years of production and grade control data, further adding to the robustness of the ORE; and
• Maximum vertical depth of ORE open pit design is 310 metres (2023: 275m).

KGP Expansion Study

On the basis of the increased ORE underpinning a current mine life of 13 years, Capricorn has commenced work on an expansion study for the Karlawinda operation.

The scope of the expansion study

includes:

• Increase in throughput (currently 4.5mtpa) by 2 – 2.5 mtpa; and
• Mining studies to consider the optimal blend of additional ore supply from:
▪ Acceleration of the mining schedule to deliver an increase in direct run of mine ore; and
▪ Direct feed of lower grade ore currently being mined and stockpiled, eliminating the
significant rehandle and loading cost of treating stockpiled ore.

Study focus areas will also include:

• Expanded processing plant flowsheet, configuration and installation logistics;
• Plant, infrastructure and associated capital costs;
• Mining schedule and fleet optimisation; and
• TSF expansion and other permitting requirements;

Work has already commenced on a number of these focus areas with a view to completing the study by the end of Q2FY25 and moving in to permitting and execution as expeditiously as possible thereafter in the event of a positive FID.

The Company sees the potential expansion of the well established and highly profitable KGP operation as a robust and valuable growth initiative.

Updated Mineral Resource Estimate

The recent drilling has also contributed to an increase in the KGP Mineral Resource Estimate (MRE) to 2,252,000 ounces. The KGP JORC compliant MRE is 98.6 million tonnes at 0.7g/t gold for 2,252,000 ounces compared to the March 2023 estimate of 97.4 million tonnes at 0.7g/t gold for 2,228,000 ounces.

This is a 24,000 ounce (1%) increase before taking into account depletion, and a
176,000 ounce (8%) increase after depletion.

The MRE was estimated using a gold price of A$2,400 per ounce (circa A$1,160/oz lower than current spot price). It is very encouraging that the 824,000 ounces of the MRE that are currently not included in the ORE are primarily located immediately down dip of the current pit design.

Capricorn Executive Chairman Mark Clark commented:

> *“The increase in Karlawinda gold reserves to 1.43 million ounces is a remarkable testament to both the quality of the orebody and Capricorn’s operating team who have turned the deposit in to a very successful, low-cost gold mining operation.*

> *“To still have a 13 year mine life after operating the mine for 3 years puts Capricorn in a very strong position relative to the mid-tier gold industry.*

“The robust economics and long mine life of the project have underpinned Capricorn’s enthusiasm to complete a study for a material expansion of the project to grow the production rate and further enhance the returns from the operation.”

To read the full news release please click HERE

To View Capricorn Metals’ historical news, please click here

The live Spot gold price can be found HERE

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Disclosure

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