



27 February 2024

Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

STRONG OPERATIONS AT KARLAWINDA DRIVES RECORD HALF YEAR PROFIT

Highlights

- Profit before tax increased by 35% to a half year record of \$78.8 million from previous corresponding period, reflecting strong operating performance:
 - Gold sales up 7% to 60,341 ounces
 - Delivered gold price up 16% to \$3,010 per ounce
 - Strong cost control against back drop of industry wide inflationary pressures
- Lowest quartile Australian gold industry AISC of \$1,324 per ounce underpins strong EBITDA of \$96.8 million and an EBITDA margin of 53%;
- Gross operating profit per ounce sold of \$1,521 translating to significant cash build for the half year of \$50.5 million after \$15.9 million spent on exploration and feasibility activities at Mt Gibson and Karlawinda.
- Gold revenue increased by 25% with gold sales of 60,341 ounces at an average delivery price of \$3,010 per ounce. A further 1,033 ounces of gold bullion on hand was subsequently sold in January 2024 for \$3.1 million;
- Strong cashflow from operations of \$80.3 million delivers Capricorn's robust balance sheet position:
 - Cash and bullion¹ of \$160.1 million (30 June 2023: \$110.3 million)
 - Net cash² position of \$110.1 million with \$50 million bank debt outstanding with a single bullet repayment in June 2025;
- H1 FY24 gold production of 60,099 ounces at AISC of \$1,324 per ounce puts Capricorn on track to achieve production guidance for FY24 of 115,000 – 125,000 ounces at AISC of \$1,270 - \$1,370 per ounce.

¹ Includes bullion valued at \$3.1 million representing the value of the bullion subsequently sold in Jan '24

² Net cash is defined as cash and bullion less corporate bank debt (A\$50 million).

Financial results

A strong six months of operations at the Karlawinda Gold Project ("KGP") has seen Capricorn Metals Ltd ("Capricorn" or "the Company") report a profit before tax of \$78.8 million for the half year ended 31 December 2023.

	Half Year to 31 Dec 23 \$'000	Half Year to 31 Dec 22 \$'000	Change \$'000
Gold sales	181,620	145,431	36,189
Gross Profit	91,789	68,385	23,404
EBITDA	96,810	74,841	21,969
Profit before tax	78,785	58,333	20,452
Income tax expense	(24,426)	(18,175)	6,251
Profit after tax	54,359	40,158	14,201
Earnings per share (cents)	14.45	10.76	3.69 cents
EBITDA margin	53.3%	51.5%	1.8%
Cashflow from operating activities	80,307	65,264	15,043

The operating results at the KGP for the six months of operations to 31 December 2023 were as follows:

		Half Year to 31 Dec 23	Half Year to 31 Dec 22
Ore mined	<i>t ('000)</i>	2,999	3,025
Ore milled	<i>t ('000)</i>	2,054	2,175
Head grade	<i>g/t</i>	1.01	0.92
Recovery	<i>%</i>	89.8	93.5
Gold production	<i>Oz</i>	60,099	60,315
All-in-sustaining- costs	<i>\$/oz</i>	1,324	1,105

Capricorn expects to achieve annual production guidance of 115,000 – 125,000 ounces and AISC guidance of \$1,270 - \$1,370 per ounce.

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

For further information, please contact:

Mr Kim Massey

Chief Executive Officer

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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.

Competent Persons Statement

The information in the attached Half Year Financial Report to 31 December 2023 that relates to Exploration Results is extracted from ASX Announcement released on 25 January 2023 entitled “Quarterly Exploration Update” and for which Competent Person consents were obtained. The Competent Person consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases, and the form and context of the announcement has not materially changed.

The detailed information relating to the Ore Reserves and Mineral Resources for the Karlawinda Gold Project was contained in the Company’s ASX announcement dated 27 July 2023 entitled “Quarterly Exploration and Annual Resource/Reserve Update”. The information relating to the Mineral Resource for the Mt Gibson Gold Project Gold Project was contained in the Company’s ASX announcement dated 15 December 2023 entitled “Mt Gibson Gold Project Mineral Resources Increase to 3.24 Million Ounces”. The information relating to the Ore Reserve for the Mt Gibson Gold Project Gold Project was contained in the Company’s ASX announcement dated 19 April 2023 entitled “MGGP PFS Confirms 1.45Moz Maiden Ore Reserve”

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcements dated 27 July 2023, 15 December 2023 and 19 April 2023 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not materially changed from previous market announcements. The reports are available to view on the ASX website and on the Company’s website at www.capmetals.com.au.



CAPRICORN METALS LTD
AND ITS CONTROLLED ENTITIES
ABN 84 121 700 105

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2023

ABN

84 121 700 105

Directors

Mark Clark – Executive Chairman

Mark Okeby – Non-Executive Director

Myles Ertzen – Non-Executive Director

Bernard De Araugo – Non-Executive Director

Jill Irvin – Non-Executive Director

Company Secretary

Kim Massey

Registered Office & Principal Place of Business

Level 3, 40 Kings Park Road

WEST PERTH WA 6005

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Share Registry

Automic Pty Ltd

Level 5, 191 St Georges Terrace

PERTH WA 6000

Telephone: +61 2 9698 5414 or 1300 288 664

Auditor

KPMG Perth

235 St Georges Terrace

PERTH WA 6000

Securities Exchange Listing

Capricorn Metals Ltd shares are listed on the Australian Securities Exchange (ASX).

ASX Code

CMM

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Directors' Report

The Directors submit the financial report of the Consolidated Group ("the Group" or "Capricorn"), consisting of Capricorn Metals Ltd (referred to in these financial statements as "Parent" or "Company") and its wholly owned subsidiaries for the half-year ended 31 December 2023 and the audit report thereon, made in accordance with a resolution of the Board.

Directors

The Directors of the Company who held office since 1 July 2023 and up to the date of this report are set out below. Directors were in office for the entire year unless stated otherwise:

Mr Mark Clark	(Executive Chairman).....Appointed 8 July 2019
Mr Mark Okeby	(Non-Executive Director).....Appointed 8 July 2019
Mr Myles Ertzen	(Non-Executive Director).....Appointed 13 September 2019
Mr Bernard De Araugo	(Non-Executive Director).....Appointed 26 May 2021
Ms Jill Irvin	(Non-Executive Director).....Appointed 12 October 2023

Operating and Financial Review

Overview

Capricorn Metals Ltd is an Australian based gold producer and exploration company with two distinct project areas located in Western Australia.

The Karlawinda Gold Project ("KGP") is located 65 kilometres south-east of Newman in the Pilbara region of Western Australia. The KGP commenced operations in June 2021 and has a 10-year mine life on current reserves. The KGP had a strong first half of operations producing 60,099 ounces at an all in sustaining cost ("AISC") of \$1,324 per ounce, consolidating its reputation as one of Australia's lowest cost gold mines.

The Company's second project is the Mt Gibson Gold Project ("MGGP"), located approximately 334 kilometres northeast of Perth in the Mid-West region of WA. The combined area of the granted tenure covers approximately 213 square kilometres and in excess of 15 kilometres of strike on the gold bearing Retaliation Greenstone Belt, in the SW portion of the Yalgoo-Singleton Greenstone Belt. The Company continued an extensive resource drilling programme at MGGP during the half-year and in December 2023 announced an 18% increase to the Mineral Resource Estimate ('MRE') from 2.755 million ounces to 3.244 million ounces.

Financial summary

The Group recorded a profit from ordinary activities before income tax of \$78,785,000 for the half year ended 31 December 2023 (31 December 2022: \$58,333,000).

The Group had a cash balance of \$157.0m as at 31 December 2023 (30 June 2023: \$106.5m) with a further 1,033 ounces of gold on hand ready for sale valued at \$3.1 million.

Performance summary

Sales

Gold revenue for the half-year was \$181.6 million from the sale of 60,341 ounces of gold at an average realised price of \$3,010 per ounce (2022HY: \$145.4 million from 56,218 ounces at \$2,587 per ounce).

At the end of the half year Capricorn had 107,000 ounces of flat forward contracts remaining at an average delivery price of \$2,327 per ounce. The Company also has 25,000 ounces of European puts remaining at 31 December 2023 at a strike price of \$2,810 per ounce. The Company has no obligation to deliver into these puts, which expire over the following two quarters. Additionally, the Company has 16,700 ounces in call options at a delivery price of \$2,260 per ounce. These options expire in June 2025.

The Company has no gold hedging delivery obligations until September 2024.

Cost of sales

Cost of sales, excluding depreciation and amortisation, for the half-year increased 18% to \$84.2 million from the December 2022 half year mainly due to increased mining volumes at the KGP and the effect of industry wide cost pressures.

Net finance costs

Net finance costs have increased by \$1.8 million to \$4.7 million from the previous half-year due to the fair value loss on financial instruments.

In June 2023, the Company announced that it had reduced its gold forward contracts by 51,000 ounces to provide further exposure to any increase in the A\$ gold price. The closure of the gold forwards means the Company does not have any hedging delivery obligations until September 2024.

Since the restructure of the gold forwards, the remaining gold forwards are reported under hedge accounting. The fair value movements are now recognised in a hedge reserve and released to the income statement once the designated sales transaction occurs.

Cashflow

Statutory operating cash flow for the half year was \$80.3 million which delivered a \$50.5 million increase (to \$157.0 million) in cash and cash equivalents for the half year. Key cash flow movements for the half year included:

- Net cash inflow from operations (excluding corporate overhead costs and interest paid) of \$80.7 million
- \$15.9 million on exploration activities at KGP and MGGP
- \$1.5 million on MGGP camp construction

Net cash/(debt)

The Company had net cash of \$107m at the end of the half-year (30 June 2023: net cash of \$56m) an increase of \$51m from the prior year.

The Company had outstanding bank debt at the end of the half-year of \$50 million (30 June 2023: \$50 million). In July 2022, Macquarie Bank agreed to convert the \$50 million outstanding debt to a general-purpose corporate loan facility with a single bullet repayment in June 2025.

Project summary

Karlawinda Gold Project

Operations

Operating results for the Karlawinda Gold Project for the six months ended 31 December 2023 were as follows:

	Unit	December 2023HY	December 2022HY
Ore mined	BCM ('000)	1,178	1,356
Waste mined	BCM ('000)	5,639	4,303
Stripping ratio	w:o	4.8	3.2
Ore mined	Tonnes ('000)	2,999	3,025
Ore milled	Tonnes ('000)	2,054	2,175
Head grade	g/t	1.01	0.92
Recovery	%	89.75	93.5
Gold production	Ounces	60,099	60,315
Cash cost ⁽¹⁾	A\$/oz	1,175	978
All-in-sustaining-cost ⁽¹⁾	A\$/oz	1,324	1,105

(1) Cash costs and All-in-sustaining costs are non-IFRS measures, and where included in this report, have not been subject to review by the Group's auditors.

KGP produced 60,099 ounces for the half-year and is on target to achieve the annual production guidance range of 115,000 – 125,000 ounces. The all-in-sustaining-cost ("AISC") of production for the half-year was \$1,324 per ounce which is at the midpoint of the AISC guidance range for the year of \$1,270 - \$1,370 per ounce.

A total of 6.8 million BCM of material was mined from the Bibra open pit during the half-year at a waste-to-ore strip ratio of 4.8. Mining focused on delivering ore primarily from stage 2 & 3 of the open pit and mining waste to provide access to ore zones in stage 3 and 4 of the open pit.

The processing plant performed well during the half year with steady production and ongoing optimisation. The ore feed to the processing plant has predominately been a blend of oxide and fresh ore for the period.

Capricorn expects to meet gold production guidance of 115,000 – 125,000 ounces at an AISC range of \$1,270 - \$1,370 per ounce and growth capital of \$10-20 million.

Exploration

Capricorn wholly owns a 2,052 square kilometre tenement package at KGP which includes the greenstone belt hosting the Bibra gold deposit and other significant greenstone areas.

The Pilbara region of Western Australia has not had a significant historical exploration focus on gold and as a result very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit, the focus of current mining operations.

During the half-year a total of 183 holes for 22,073 metres were drilled across the KGP tenement package.

At the Carnoustie, Vendas and newly identified Belhaven near mine prospects, encouraging results have been returned from mixed RC and AC drilling programmes. Further drilling is planned for Carnoustie, 5 kilometres north-west of Bibra, where previous results indicate the potential for a steeply dipping intrusive related orebody with mineralisation remaining open up and down dip and along strike to the north and south. Follow up drilling is also planned at Vendas and Belhaven, where encouraging results have been returned from

drilling that expanded the target area approximately 4 kilometres along strike from the recently defined Murfield and Berwick deposits. Mineralisation at Vedas and Belhaven is analogous with the Bibra deposit.

Follow up near mine drilling programmes will continue throughout FY24.

First pass regional drilling programmes have been completed at the Donomore, Carrot Hill, Jamie Well East and Forfar prospects. The projects are situated proximal to either the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin. While drilling has not returned significant results, the programme has provided valuable geological information for future programmes.

At the Jims Vein prospect, 30 kilometres west of Bibra, rock chip sampling of outcropping quartz vein and country rock has returned multiple high grade gold results, as well as high temperature pathfinders known to be associated with intrusion related gold deposits. At the Central Lode prospect, approximately 1 kilometre SW of Jims Vein, rock chip sampling of outcropping quartz vein and country rock has returned multiple anomalous gold results over 2 kilometres of strike. The sampling was following up on shallow, historic RC drilling. A 7,000 metre AC drilling programme has commenced across Jims Vein and Central Lode, the first drilling done on the project since acquisition in May 2022.

Multiple exploration targets will be progressed further throughout FY24.

Reserves & Resources

In June 2023 the company announced an annual resource and reserve update for KGP.

The updated KGP Ore Reserve Estimate ("ORE") of 1,247,000 ounces (2022: 1.34 million ounces) is an increase of 5,000 ounces after accounting for mining depletion in the nine months to 31 March 2023.

The updated Mineral Resource Estimate ("MRE") is 2,228,000 ounces (2022: 2.29 million ounces) an increase of 40,000 ounces after accounting for mining depletion in the nine months to 31 March 2023.

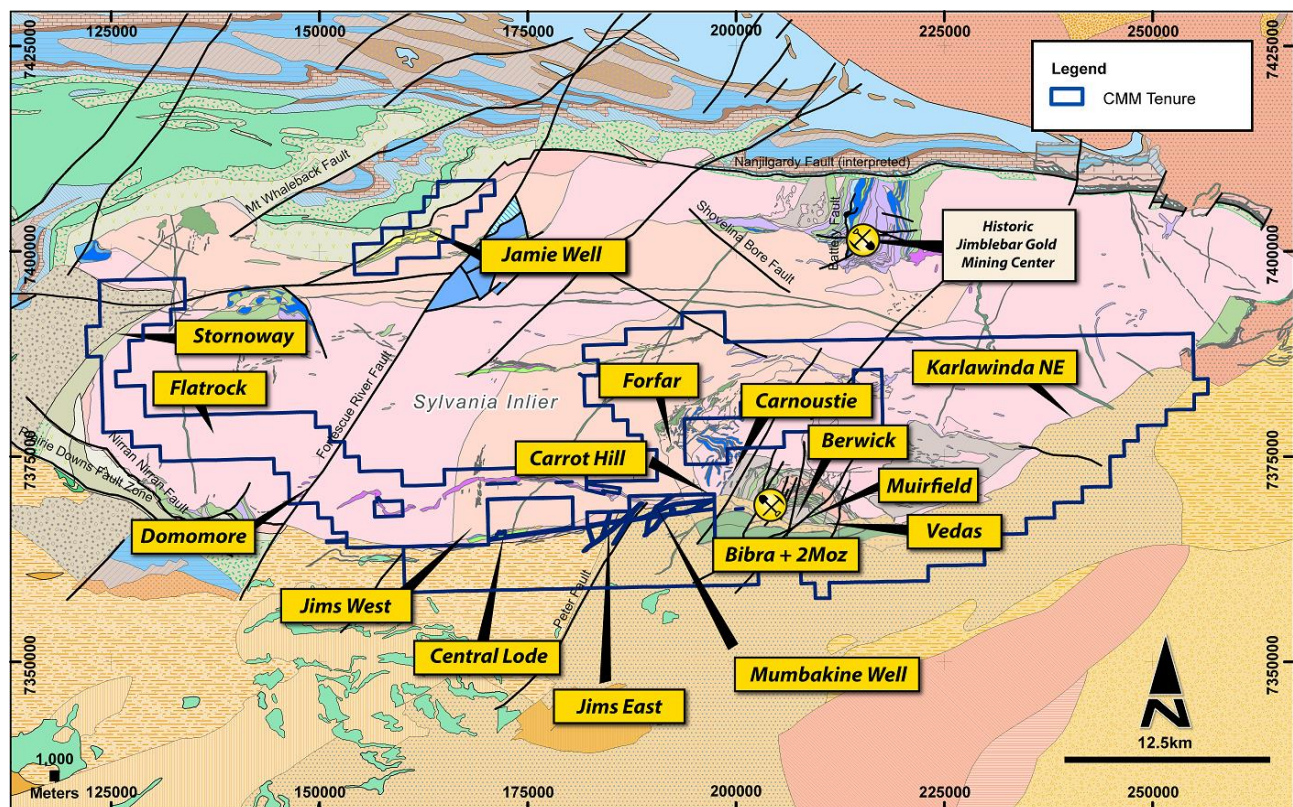


Figure 1: Karlawinda Gold Project exploration targets

Mt Gibson Gold Project

Project Development

Significant progress continues to be made towards the development of the MGGP, including:

- Submission of the EBPC Act referral. The referral is the culmination of extensive environmental assessment work at the MGGP over the last two and a half years. This will be the basis on which the regulator will determine the permitting pathway for the proposed development of the project.
- The Company has obtained regulatory approval for a new camp for the proposed mining operation at MGGP, and delivery of the 400 accommodation units commenced in December 2023. The total accommodation village purchase and installation cost is expected to be in the order of \$30 million (in line with DFS estimate) and is scheduled to be spent over the 2024 calendar year.

Exploration

During the half-year a total of 508 holes for 46,609 metres were drilled across the MGGP tenement package.

Broad high-grade intercepts under the Orion pit continue to demonstrate excellent underground potential, while drilling on unmined areas at Lexington, S2, Saratoga and Orion North continues to define zones of high-grade mineralisation within and outside the resource shell. A 12,000 metre AC drilling programme is underway at the newly identified Sundance prospect, south of the main Mt Gibson mine trend. The geological setting at Sundance is analogous to the Sheldon, Deep South and Gunslinger deposits along strike to the north.

Follow up drilling at the Comanche prospect, east of the main Mt Gibson trend, has returned mineralisation that extends over 200m of strike, is open in all directions and lies outside the current Resource estimate.

Drilling will soon commence along the Wombat mine trend adjacent and parallel to the main Mt Gibson mine trend, identified as having a significant strike potential and geological and structural settings amenable to host further significant mineable deposits.

Large scale archaeological and ethnographic clearance works have been completed and are progressing over future exploration areas.

Reserves & Resources

At the time of acquisition in July 2021 the project had a JORC 2012 compliant Inferred MRE of 2,083,000 ounces of gold.

In December 2023 the Company announced an increase to the MRE at MGGP to 3,244,000 ounces (November 2022: 2,755,000 ounces), an increase of 18%. The updated MRE includes 2,655,000 ounces of gold in the Indicated category, a 549,000 ounce (26%) increase from the November 2022 MRE. The updated MRE provides a strong basis for an update to the 1.45 million ounce ORE targeted for FY24.

In April 2023 the Company announced a maiden ORE and the results of a prefeasibility study for the MGGP. The maiden MGGP JORC 2012 compliant ORE is 48.7 million tonnes @ 0.9g/t Au for 1.45 million ounces. The ORE was estimated using a A\$1,900 per ounce gold price with the reserve pits having a shallow average depth of 140 metres, down to a maximum depth of 240 metres and an operating strip ratio of 4.2.

Subsequent events

There were no material events arising subsequent to 31 December 2023, to the date of this report which may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in the future.

Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditors' Independence Declaration

The lead auditor's independence declaration as required under section 307C of the Corporation Act 2001 is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors.



Mr Mark Clark
Executive Chairman
Perth, Western Australia
26 February 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Capricorn Metals Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Capricorn Metals Ltd for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized blue ink signature of the KPMG firm, written in a cursive, handwritten style.

KPMG

A blue ink signature of R Gambitta, written in a cursive, handwritten style.

R Gambitta
Partner

Perth

26 February 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
Revenue	2	181,620	145,431
Costs of goods sold	3	(89,831)	(77,082)
Gross profit		91,789	68,385
Other income	2	74	53
Personnel costs		(4,036)	(2,713)
Share-based payment expense	19	(2,676)	(2,663)
Depreciation		(214)	(112)
Amortisation		-	(187)
Administration expenses		(1,306)	(1,200)
Exploration & evaluation expenditure		(115)	(29)
Net finance costs	4	(4,731)	(3,165)
Total expenses		(13,078)	(10,069)
Profit before income tax expense		78,785	58,333
Income tax expense		(24,426)	(18,175)
Profit for the period		54,359	40,158
Other comprehensive income:			
<i>Items that may be reclassified to the profit or loss:</i>			
Foreign operations – foreign currency translation difference		11	(4)
Cashflow hedges – effective portion of change in fair value		(8,568)	-
Tax effect for other comprehensive income items		2,570	-
Other comprehensive income/(loss) for the period, net of tax		(5,987)	-
Total comprehensive income for the period attributable to members of the parent entity		48,372	40,154
Earnings per share:			
Basic profit per share (cents per share)		14.45	10.76
Diluted profit per share (cents per share)		14.38	10.64

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Financial Position
As at 31 December 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
Current assets			
Cash and cash equivalents	5	157,000	106,471
Receivables		2,988	2,535
Other assets		490	356
Inventories	6	18,204	16,619
Other financial assets	7	1,903	3,517
Assets classified as held for sale	8	2,500	2,500
Total current assets		183,085	131,998
Non-current assets			
Inventories	6	66,618	47,546
Other financial assets	7	2,100	2,790
Plant and equipment	9	155,520	153,302
Right of use assets	10	42,597	45,364
Deferred exploration and evaluation costs	11	120,710	105,723
Mine properties	12	48,098	49,762
Total non-current assets		435,643	404,487
Total assets		618,728	536,485
Current liabilities			
Trade and other payables	13	35,888	33,226
Income tax payable		624	-
Lease liabilities	14	9,586	9,428
Borrowings	15	662	613
Provisions	16	1,682	1,457
Total current liabilities		48,442	44,724
Non-current liabilities			
Lease liabilities	14	27,560	31,769
Borrowings	15	50,000	50,000
Provisions	16	31,073	30,452
Other financial liabilities	17	106,859	97,103
Deferred tax liabilities		47,231	25,900
Total non-current liabilities		262,723	235,224
Total liabilities		311,165	279,948
Net assets		307,563	256,537
Equity			
Issued capital	18	203,400	203,422
Reserves		(4,387)	3,134
Retained earnings		108,550	49,981
Total equity		307,563	256,537

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Note	Issued capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Share-based payment reserve \$'000	Cash flow hedge reserve \$'000	Total \$'000
Balance as at 1 July 2022		203,524	37,910	(1,048)	7,149	-	247,535
Profit for the period		-	40,158	-	-	-	40,158
Other comprehensive income		-	-	(4)	-	-	(4)
Total comprehensive income		-	40,158	(4)	-	-	40,154
Issue of shares		-	-	-	-	-	-
Costs of capital raised		(84)	-	-	-	-	(84)
Share based payments		-	-	-	2,663	-	2,663
Transfer		-	6,109	-	(6,109)	-	-
Balance as at 31 December 2022		203,440	84,177	(1,052)	3,703	-	290,268
Balance as at 1 July 2023		203,422	49,981	(1,055)	4,189	-	256,537
Profit for the period		-	54,359	-	-	-	54,359
Other comprehensive income		-	-	11	-	(5,998)	(5,987)
Total comprehensive income		-	54,359	11	-	(5,998)	48,372
Issue of shares		100	-	-	-	-	100
Costs of capital raised	18	(122)	-	-	-	-	(122)
Share based payments		-	-	-	2,676	-	2,676
Transfer		-	4,210	-	(4,210)	-	-
Balance as at 31 December 2023		203,400	108,550	(1,044)	2,655	(5,998)	307,563

The accompanying notes form part of these financial statements

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2023

		31 December 2023	31 December 2022
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts from gold sales		181,620	145,431
Payments to suppliers and employees		(100,374)	(77,841)
Interest received		2,242	428
Interest paid		(3,255)	(2,807)
Other income		74	53
Net cash used in operating activities		80,307	65,264
Cash flows from investing activities			
Payments for property, plant & equipment		(9,170)	(7,937)
Payments for capitalised exploration expenditure		(15,898)	(21,882)
Payments for mine properties & development		-	-
Payments for acquisition of assets		-	(200)
Proceeds on disposal of property, plant and equipment		-	-
Net cash used in investing activities		(25,068)	(30,019)
Cash flows from financing activities			
Proceeds from exercise of share options		-	-
Transaction costs from issue of shares		-	153
Proceeds from borrowings		-	-
Repayment of borrowings		-	(15,000)
Repayment of lease liabilities		(4,710)	(4,097)
Net cash provided by financing activities		(4,710)	(18,944)
Net increase in cash and cash equivalents held		50,529	16,301
Cash and cash equivalents at beginning of the period	5	106,471	61,502
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at end of the period	5	157,000	77,803

The accompanying notes form part of these financial statements

REPORTING ENTITY

Capricorn Metals Ltd is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The Company's registered office and principal place of business is:

Level 3, 40 Kings Park Road
WEST PERTH WA 6005

The nature of the operations and principal activities of the Company and its subsidiaries are described in the Directors Report.

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the half year ended 31 December 2023 have been prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the most recent annual financial statements, which are available on the Company's website, and any public announcements made during the half year.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2024.

USE OF JUDGEMENT AND ESTIMATES

In preparing these consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the last annual financial statements.

NEW STANDARDS AND INTERPRETATIONS ADOPTED

In the current half-year, the Group has applied the below amendments to Australian Accounting Standards [*and Interpretations*] issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's half year reporting period that began on 1 July 2023, none of which had a material impact on the interim financial report.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction.
- AASB 17 Insurance contracts and Amendments to AASB 17

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2023

1. SEGMENT INFORMATION

The following table presents profit and loss information for reportable segments for the half-years ended 31 December 2023 and 2022, and assets and liabilities for reportable segments as at 31 December 2023 and 30 June 2023.

	Karlawinda		Mt Gibson		Unallocated		Total	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue								
Revenue	181,620	145,431	-	-	-	-	181,620	145,431
Other income	-	-	-	-	74	53	74	53
	181,620	145,431	-	-	74	53	181,694	145,484
Result								
Profit/(loss) before income tax	86,976	65,214	(79)	(29)	(8,112)	(6,852)	78,785	58,333
Net finance costs	(4,580)	(2,826)	9	3	(160)	(342)	(4,731)	(3,165)
Depreciation	(10,960)	(4)	(2)	-	(212)	(108)	(11,174)	(112)
Amortisation	(2,156)	(187)	-	-	-	-	(2,156)	(187)
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Assets/Liabilities								
Segment assets	498,437	433,908	108,737	93,411	11,554	9,136	618,728	536,485
Segment liabilities	(268,534)	(240,421)	(36,862)	(11,752)	(5,769)	(27,775)	(311,165)	(279,948)

2. REVENUE & OTHER INCOME

	31 December 2023 \$'000	31 December 2022 \$'000
(a) Revenue		
Gold Sales	181,620	145,431
	181,620	145,431
(b) Other Income		
Rental income	56	36
Other	18	17
	74	53

Gold forward contracts

As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financier Macquarie, the Group has entered into gold forward contracts to manage the gold price of a proportion of anticipated sales of gold.

In June 2023 the Company cash settled 51,000 ounces of outstanding gold forward contracts. In accordance with accounting standards the remaining gold forwards are now recognised in the balance sheet at fair value (refer Note 17).

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023

Previously the gold forward contracts had only been settled via the physical delivery of gold which did not require the gold forwards to be recognised at fair value on the balance sheet. The gold forward contracts were treated as sale contracts with revenue recognised once gold has been delivered to Macquarie or its agent.

From June 2023 onwards the Group has designated its gold financial instruments as hedge instruments by adopting hedge accounting.

Set out below is the settlement timeframe for the remaining gold forward contracts, gold call options and gold put options as at 31 December 2023.

	Gold for physical delivery ounces	Contracted gold sale price \$	Value of committed sales \$'000	Mark-to- market \$'000
Within one year				
- Fixed forward contracts	24,000	2,327	55,848	(18,763)
- Put options	25,000	2,810	70,250	439
Between one and five years				
- Fixed forward contracts	83,000	2,327	193,141	(72,982)
- Call options	16,700	2,260	37,742	(15,114)

Mark-to-market has been calculated with reference to a spot price of \$3,023.75 per ounce as at 31 December 2023.

Mark-to-market represents the value of the open contracts at balance date, calculated with reference to the gold average forward price at that date. A negative amount reflects a valuation in the counterparty's favour.

3. EXPENSES

	31 December 2023 \$'000	31 December 2022 \$'000
Costs of goods sold		
Costs of production	(67,975)	(56,015)
Royalties	(8,776)	(7,667)
Mine plant and equipment depreciation	(7,522)	(7,953)
Right of use asset depreciation (refer Note 10)	(3,402)	(3,399)
Amortisation of mine properties (refer Note 12)	(2,156)	(2,048)
	(89,831)	(77,082)

4. NET FINANCE COSTS

	31 December 2023 \$'000	31 December 2022 \$'000
Interest revenue	2,446	564
Interest on borrowings	(1,916)	(1,439)
Interest on lease liabilities	(1,411)	(1,545)
Fair value gain/(loss) on equity investments	(179)	(356)
Fair value gain/(loss) on financial instruments	(3,313)	(38)
Unwinding of discount on provisions (refer Note 16)	(358)	(351)
	(4,731)	(3,165)

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2023

5. CASH AND CASH EQUIVALENTS

	31 December 2023 \$'000	30 June 2023 \$'000
Cash at bank	157,000	106,471

6. INVENTORY

Current

Ore stockpiles	9,933	9,460
Gold in circuit	5,042	3,972
Bullion on hand	1,699	1,805
Consumable stores	1,530	1,382
	18,204	16,619

Non-Current

Ore Stockpiles	66,618	47,546
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7. OTHER FINANCIAL ASSETS

Current

Gold call options at FVTPL	690	-
Gold put options at FVTPL	439	2,564
Equity Investments	774	953
Total Current Other Assets	1,903	3,517

Non-Current

Gold call options at FVTPL	2,100	2,790
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Gold option assets

The gold option assets represent the fair value of the gold call option contract entered into on 6 January 2020 and the gold put option contracts purchased on 26 June 2023.

Equity Investments	2023	2022
As at 1 July	953	1,348
Additions	-	200
Fair value adjustment	(179)	(356)
As at 31 December	774	1,192

Fair value of listed shares and assumptions	31 December 2023	31 December 2022
Evion Group NL (formerly BlackEarth Minerals NL)		
Fair value per listed share	\$0.034	\$0.071
DiscovEx Resources Limited		
Fair value per listed share	\$0.002	\$0.003

8. ASSETS HELD FOR SALE

	31 December 2023 \$'000	30 June 2023 \$'000
Property asset	2,500	2,500

The Group intends to dispose of a freely held property asset located in Antanarirvo, Madagascar within the next 12 months. This property of 19,373m² containing a number of buildings, including offices, warehouses and villa accommodation, is a unique asset with limited potential buyers.

A valuation was completed by Cabinet D'Expertise Audit Techniques Et Conseils Qualities in June 2023 of 9,019,164,000 Ariary which translates to AUD \$2,904,741 as at 31 December 2023 (2022: AUD \$2,603,874). Based on the current valuation, the Directors considered the carrying value appropriate for the period ended 31 December 2023. The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

9. PLANT AND EQUIPMENT

	Buildings & Infrastructure \$'000	Plant & Equipment \$'000	Mobile Plant & Equipment \$'000	Furniture & Equipment \$'000	Capital WIP \$'000	Total \$'000
Net carrying amount at 1 July 2022	43,049	103,270	3,148	7,009	2,645	159,121
Additions	1,738	1,656	1,263	1,509	2,808	8,974
Transfers from mine properties under development	-	-	-	-	-	-
Transfers between asset classes	-	-	-	-	-	-
Depreciation	(3,505)	(9,032)	(1,149)	(1,071)	-	(14,757)
Amounts written off	-	(36)	-	-	-	(36)
Net carrying amount at 30 June 2023	41,282	95,858	3,262	7,447	5,453	153,302

As at 30 June 2023

Cost	49,832	116,817	5,243	9,886	5,453	187,231
Accumulated depreciation	(8,550)	(20,959)	(1,981)	(2,439)	-	(33,929)
Net carrying amount at 30 June 2023	41,282	95,858	3,262	7,447	5,453	153,302

	Buildings & Infrastructure \$'000	Plant & Equipment \$'000	Mobile Plant & Equipment \$'000	Furniture & Equipment \$'000	Capital WIP \$'000	Total \$'000
Net carrying amount at 1 July 2023	41,282	95,858	3,262	7,447	5,453	153,302
Additions	407	1,679	1,775	401	5,763	10,025
Transfers	-	-	-	-	-	-
Depreciation	(1,808)	(4,718)	(687)	(594)	-	(7,807)
Net carrying amount at 31 December 2023	39,881	92,819	4,350	7,254	11,216	155,520

As at 31 December 2023

Cost	50,239	118,496	7,018	10,288	11,216	197,257
Accumulated depreciation	(10,358)	(25,677)	(2,668)	(3,034)	-	(41,737)
Net carrying amount at 31 December 2023	39,881	92,819	4,350	7,254	11,216	155,520

10. RIGHT OF USE ASSETS

	31 December 2023 \$'000	30 June 2023 \$'000
As at 1 July	45,364	47,972
Additions	635	4,293
Depreciation charge for the year	(3,402)	(6,901)
As at 31 December	42,597	45,364

11. DEFERRED EXPLORATION & EVALUATION COSTS

	31 December 2023 \$'000	30 June 2023 \$'000
As at 1 July	105,723	77,297
Expenditure for the period	15,479	35,160
Transfer to mine properties	(492)	(6,734)
As at 31 December	120,710	105,723

Commitments

Exploration expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

The terms and conditions under which the Group retains title to its various tenements require it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Western Australian government, as well as local government rates and taxes.

	31 December 2023 \$'000	30 June 2023 \$'000
Within one year	2,952	3,582
Exploration commitments at reporting date not recognised as liabilities	2,952	3,582

Annual exploration expenditure after one year will be a similar commitment to that within one year, however this amount is increased if new exploration tenements are added to the Group's portfolio or reduced, if exploration tenements are removed from the Group's portfolio.

12. MINE PROPERTIES

	Other ⁽¹⁾ \$'000	Pre- production \$'000	Rehabilitation \$'000	Total \$'000
Net carrying amount at 1 July 2022	13,751	16,908	15,969	46,628
Additions	-	-	283	283
Transfers from Exploration	6,734	-	-	6,734
Amortisation (refer Note 3)	(1,247)	(1,341)	(1,295)	(3,883)
Net carrying amount at 30 June 2023	19,238	15,567	14,957	49,762
As at 30 June 2023				
Cost	22,211	18,865	18,257	59,333
Accumulated depreciation	(2,973)	(3,298)	(3,300)	(9,571)
Net carrying amount at 30 June 2023	19,238	15,567	14,957	49,762

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2023

	Other ⁽¹⁾ \$'000	Pre- Production \$'000	Rehabilitation \$'000	Total \$'000
Net carrying amount as at 1 July 2023	19,238	15,567	14,957	49,762
Additions	-	-	-	-
Transfers from Exploration	492	-	-	492
Amortisation (refer Note 3)	(834)	(674)	(648)	(2,156)
Net carrying amount as at 31 December 2023	18,896	14,893	14,309	48,098
At 31 December 2023				
Cost	22,704	18,865	18,257	59,826
Accumulated amortisation	(3,808)	(3,972)	(3,948)	(11,728)
Net carrying amount	18,896	14,893	14,309	48,096

(1) Other refers to exploration and evaluation expenditure in relation to areas of interest in which mining has commenced.

13. TRADE AND OTHER PAYABLES

	31 December 2023 \$'000	30 June 2023 \$'000
Trade payables	18,969	17,141
Accrued expenses	11,677	10,260
Other payables	5,242	5,825
	35,888	33,226

14. LEASE LIABILITIES

Current

Lease liabilities	9,586	9,428
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Non-Current

Lease liabilities	27,560	31,769
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15. BORROWINGS

	31 December 2023 \$'000	30 June 2023 \$'000
Current		
Interest payable on borrowings	662	613
Non-Current		
Bank loans	50,000	50,000
	50,662	50,613

Borrowings comprise of amounts drawn down and outstanding on a general-purpose corporate loan facility of \$50 Million with Macquarie Bank Limited ("Macquarie"). The facility accrues interest at the bank bill rate plus 3% and is repayable with a single bullet repayment in June 2025. Capricorn can elect to repay (part or full) the loan at any time without penalty. The facility includes customary liquidity and debt service covenants. The Group is in compliance with its covenants.

Macquarie holds a first ranking, registered fixed and floating charge over all the assets of Capricorn Metals Ltd and its wholly owned subsidiaries, Greenmount Resources Pty Ltd (owner of the Karlawinda Gold Project), Crimson Metals Pty Ltd and Metrovex Pty Ltd (owners of the Mt Gibson Gold Project) as security for the facility provided by Macquarie.

16. PROVISIONS

	31 December 2023 \$'000	30 June 2023 \$'000
Current		
Annual leave	1,656	1,431
Rehabilitation	26	26
	1,682	1,457
Non-current		
Long service leave	582	338
Right of Use asset demobilisation	763	743
Rehabilitation	29,729	29,371
	31,074	30,452
Provision for rehabilitation		
As at 1 July	29,397	28,416
Provisions raised during the year	-	283
Provisions used during the year	-	(19)
Provisions re-measured during the year	-	(1)
Unwinding of the discount	358	718
As at 31 December	29,755	29,397

The Group assesses site rehabilitation liabilities on an annual basis. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, discounted to present value.

Significant estimation is required in determining the provision for site rehabilitation as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place. These factors include future development/exploration activity, changes in the costs of goods and services required for restoration activity and changes to the legal and regulatory framework.

These factors may result in future actual expenditure differing from the amounts currently provided.

17. OTHER FINANCIAL LIABILITIES

	31 December 2023 \$'000	30 June 2023 \$'000
Non-current		
Gold call options at FVTPL	15,114	13,926
Gold forwards at FVTPL	83,177	83,177
Gold forwards at FVTOCI	8,568	-
	106,859	97,103

Gold call options

Gold call option liability refers to the fair value of the gold call option contract entered into on 6 January 2020. Subsequent measurement of the gold call option contracts, which expire on 30 June 2025, is at fair value at balance date with any changes in the fair value immediately recognised in the profit or loss.

Gold forwards

Gold forward liability refers to the fair value of the remaining gold forward contracts at year end which expire at various dates up until 31 December 2026. Previously the Company was required to only recognise the fair value the gold forward contracts that settled.

Hedge accounting

In June 2023 the Company cash settled 51,000 ounces of gold forward contracts it held. In accordance with accounting standards the remaining gold forwards are now recognised in the balance sheet at fair value. From June 2023 onwards the Group has designated its gold financial instruments as hedge instruments by adopting hedge accounting. The fair value movements are now recognised in a hedge reserve and released to the income statement once the designated sales transaction occurs.

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2023

	31 December 2023 \$'000	30 June 2023 \$'000
Gold call options		
As at 1 July	13,926	11,540
Fair value adjustments (refer Note 4)	1,188	2,386
As at 31 December	15,114	13,926
Gold forwards		
As at 1 July	83,177	-
Fair value adjustments through Profit and Loss	-	83,177
Fair value adjustments through OCI	8,568	-
As at 31 December	91,745	83,177

18. ISSUED CAPITAL

	31 December 2023 \$'000	30 June 2023 \$'000
Ordinary shares – issued and fully paid	203,400	203,422
	Number of shares	\$'000
Movement in ordinary shares on issue:		
As at 1 July 2022	371,925,185	203,524
Issue of shares on exercise of performance rights	4,032,990	-
Transaction costs	-	(102)
As at 30 June 2023	375,958,175	203,422
As at 30 June 2023	375,958,175	203,422
Issue of shares on exercise of performance rights ⁽¹⁾	1,339,058	-
Issue of shares for consulting services	22,779	100
Tax effect of deferred tax deductions posted directly to equity	-	(99)
Transaction costs	-	(23)
As at 31 December 2023	377,320,012	203,400

(1) The following shares were issued in accordance with the shareholder approved Performance Rights Plan; on 7 December 2023: 259,909 shares were issued for nil value to KMP; on 7 December 2023: 597,149 shares were issued for nil value to various employees; and on 20 December 2023: 482,000 shares were issued for nil value to various employees.

19. SHARE BASED PAYMENTS

Performance Rights

In November 2023, 154,670 performance rights were granted to KMP, Mr Clark under the Group's Performance Rights Plan (Issue 1). 50% of the rights will vest on 30 June 2025 and the remaining rights will vest on 30 June 2026.

In December 2023, 390,893 Performance rights were granted to employees of the Company under the Group's Performance Rights Plan (Issue 2). 185,542 of the rights will vest on 10 December 2025 and the remaining rights will vest on 10 December 2026.

The fair value at the grant date was estimated using a Black Scholes option pricing model (Issue 2) and a Monte Carlo simulation (Issue 1).

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2023

The below table details the terms and conditions of the grants and the assumptions used in estimating the fair value:

<i>Item</i>	<i>Issue 1</i>	<i>Issue 2</i>
Grant date	29 Nov 2023	7 Dec 2023
Value at grant date	\$4.276	\$4.340
Exercise price	Nil	Nil
Dividend yield	0%	0%
Risk free rate	3.98%	3.75%
Volatility	47%	NA
Performance period (yrs)	2 - 3 years	2 - 3 years
Test Date	30/6/25 & 30/6/26	10/12/25 & 10/12/26
Remaining performance period (yrs)	1.50 - 2.50	1.95 - 2.95
Weighted average fair value	\$3.261	\$4.340

In December 2023, 120,000 performance rights were granted to employees of the Company under the Group's Performance Rights Plan (Issue 3). 50,000 of the rights will vest on 18 September 2024, 40,000 of the rights will vest on 18 September 2025 and the remaining rights will vest on 18 September 2026.

In December 2023, 32,000 performance rights were granted to employees of the Company under the Group's Performance Rights Plan (Issue 2). 50% of the rights will vest on 10 July 2025 and the remaining rights will vest on 10 July 2026.

The below table details the terms and conditions of the grants and the assumptions used in estimating the fair value:

<i>Item</i>	<i>Issue 3</i>	<i>Issue 4</i>
Grant date	7 Dec 2023	7 Dec 2023
Value at grant date	\$4.340	\$4.340
Exercise price	Nil	Nil
Dividend yield	0%	0%
Risk free rate	3.75%	3.75%
Volatility	NA	NA
Performance period (yrs)	0.78 - 2.78 years	1.59 - 2.59 years
Test Date	18/09/24 & 18/09/25 & 18/09/26	10/07/25 & 10/07/26
Remaining performance period (yrs)	0.72 - 2.72	1.53 - 2.53
Weighted average fair value	\$4.340	\$4.340

The fair value of the Performance Rights granted during the half year was \$2,860,519. The Group recognised an expense of \$89,778 for the period ended 31 December 2023.

In the half year ended 31 December 2023, the Group has recognised total share-based payments expense (for new and existing grants) of \$2,676,000 in the statement of profit or loss and other comprehensive income (31 December 2022: \$2,663,000).

20. DEED OF CROSS GUARANTEE

Capricorn Metals Ltd and its subsidiaries are parties to a Deed of cross guarantee under which each company guarantees the debts of the others.

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

- Capricorn Metals Ltd
- Greenmount Resources
- Crimson Metals Pty Ltd
- Metrovex Pty Ltd
- Malagasy Graphite Holding Pty Ltd

The above companies represent a 'closed group' for the purpose of the Legislative instrument, and as there are no other parties to the Deed of cross guarantee that are controlled by Capricorn Metals Ltd, they also represent the 'extended closed group'.

21. COMMITMENTS

The group has physical gold delivery commitments and exploration expenditure commitments which are disclosed in notes 2 and 11 respectively.

22. CONTINGENT LIABILITIES

As at 31 December 2023 Capricorn Metals Ltd has bank guarantees totalling \$386,000 (30 June 2023: \$386,000).

As at 31 December 2023 the Group has a \$4 million (30 June 2023: \$4 million) Bank Guarantee Facility with Macquarie under the existing Project Loan Facility in relation to the lateral pipeline that links Goldfields Gas Pipeline to the KGP.

23. EVENTS SUBSEQUENT TO REPORTING DATE

There were no material events arising subsequent to 31 December 2023, to the date of this report which may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in the future.

Directors' Declaration

The Directors of the company declare that:

- (a) The financial statements and notes, as set out on pages 8 to 22, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



Mr Mark Clark
Executive Chairman
Perth, Western Australia
26 February 2024



Independent Auditor's Review Report

To the shareholders of Capricorn Metals Ltd

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying **Half Year Financial Report** of Capricorn Metals Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half Year Financial Report of Capricorn Metals Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half Year Financial Report** comprises the:

- Condensed consolidated statement of financial position as at 31 December 2023.
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date.
- Notes comprising material accounting policies and other explanatory information.
- Directors' Declaration.

The **Group** comprises Capricorn Metals Ltd (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Responsibilities of the Directors for the Half Year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half Year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half Year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the Half Year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half Year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

R Gambitta
Partner

Perth

26 February 2024