

14 June 2024

PARTIAL CLOSURE OF GOLD HEDGE BOOK GIVES CAPRICORN ADDITIONAL GOLD PRICE UPSIDE

Capricorn Metals Limited (**Capricorn** or the **Company**) is pleased to advise that it has used the recent pull back in the A\$ gold price to reduce its gold hedge book by 52,000 ounces to provide further exposure to any increase in the A\$ gold price over the next 18 months. The gold hedging contracts closed were as follows:

Gold Hedging Contracts Closed		
Maturity	Volume (Ounces)	Price (A\$/oz)
30/09/2024	12,000	2,327
31/12/2024	12,000	2,327
31/03/2025	10,000	2,327
30/06/2025	10,000	2,327
30/09/2025	8,000	2,327
	52,000	2,327

The closure results in Capricorn having no current gold forward sale delivery obligations until 31 December 2025. As part of the closure Capricorn also purchased gold put options (for the same volume and maturity as the closed hedge contracts) as follows:

Gold Put Options Purchased		
Maturity	Volume (Ounces)	Strike Price (A\$/oz)
30/09/2024	12,000	3,432
31/12/2024	12,000	3,432
31/03/2025	10,000	3,432
30/06/2025	10,000	3,432
30/09/2025	8,000	3,432
	52,000	

The purchased put options give Capricorn the right (but not the obligation) to sell the previously hedged ounces at a price of A\$3,432 per ounce. This allows Capricorn full participation if the gold price is higher than the strike price on the date of maturity of each put option.

The cost of closure and purchase of put options (at a spot price of A\$3,482 per ounce) was \$69.6 million, paid out of Capricorn's cash and bullion holdings of \$177.8 million (31 March 2024). Having closed 52,000 ounces of hedging at a spot price of A\$3,482 per ounce, every A\$50 per ounce increase in the gold price above A\$3,482/oz enhances revenue on the previously hedged production by \$2.6 million. The revenue downside on these ounces (relative to A\$3,482/oz) is limited to a maximum of \$2.6 million by the purchase of the A\$3,432/oz put options.

This closure follows execution of a similar strategy in June 2023 under which 51,000 ounces of gold hedging was closed, leading to revenue enhancement in FY24 of approximately \$13 million after closure costs as Capricorn increased its exposure to the rising gold price over that period.

Capricorn's gold forward sales commitments have been reduced to 55,000 ounces at an average delivery price of A\$2,327 per ounce, maturing from December 2025 to December 2026. This represents less than 5% of gold reserves at the operating Karlawinda Gold Project and less than 2% of Capricorn total gold reserves*.

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

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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.