



Corporate Governance Statement

2024

This Statement outlines the corporate governance practices adopted by Capricorn Metals Ltd (**Company**) throughout FY2024, by reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) It is current as at 18 October 2024 and has been approved by the Board.

Copies of governance related documents referred to in this Statement can be found on the Company's website at www.capmet.com.au

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	YES	The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Executive Chairman. A copy of the Company's Board Charter is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.	YES	(a) The Company undertakes appropriate checks on candidates before appointing them or putting them forward for re-election as Directors, including checks on character, experience and education. (b) Details of the relevant skills, experience and expertise of the Directors are included in the Annual Report, as well as in each notice of meeting given to shareholders where a Director is standing for election or re-election.

Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	YES	The Company has written agreements in place with each Director and senior executive which set out the terms of their appointment. Material variations to these agreements are disclosed to the ASX to the extent required by the ASX Listing Rules.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the Board: (i) to set measurable objectives for achieving gender diversity; and (ii) to assess annually both the objectives and the entity's progress in achieving them. (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the	PARTIALLY	(a) The Company has adopted a Diversity Policy. The Board did not establish measurable objectives for achieving gender diversity during the reporting period. It has determined that its workforce comprises individuals from diverse backgrounds with the relevant skills, knowledge and experience that management believe are necessary for the relevant role. The Board seeks to provide a safe working environment for all employees and values a workplace free of prohibited discrimination, harassment, victimisation, bullying and occupational violence. (b) The Diversity Policy is available on the Company's website. (c) The Company did not set measurable gender diversity objectives for the past financial year. See (a) above. In October 2023 the Board appointed a female director to the Board. Jill Irvin joined the Board as a non-executive director. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation as at 30 June 2024 is disclosed below:

entity has defined "senior executive" for these purposes); or (B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.		<table> <tr> <th></th><th>Male</th><th>Female</th></tr> <tr> <td>Board</td><td>80%</td><td>20%</td></tr> <tr> <td>Senior Executive*</td><td>100%</td><td>0%</td></tr> <tr> <td>Whole Organisation</td><td>75%</td><td>25%</td></tr> </table> *Senior Executives are individuals at the highest level of organisational management who have the day to day responsibilities of managing the Company below the Board. The Senior Executives for the purposes of the table above include the Company's Executive Chairman, Chief Executive Officer, Chief Operating Officer and Company Secretary.		Male	Female	Board	80%	20%	Senior Executive*	100%	0%	Whole Organisation	75%	25%
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Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	YES	(a) The Remuneration, Nomination and Diversity Committee is responsible for evaluating the performance of the Board and individual Directors on an annual basis. It may do so with the aid of an independent advisor. (b) The Committee undertook a review following the end of the reporting period. Furthermore, the Chairman and the Board regularly review the performance and composition of the Board considering issues or concerns as they arise. This ongoing process is conducted internally and informally and relies on regular discussion between the Chairman and all Board members.												
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and	YES	(a) The Company has a Performance Evaluation Policy that delegates responsibility to the Remuneration, Nomination and Diversity Committee to undertake an annual performance evaluation of the Company's senior executives. The Performance Evaluation Policy is available on the Company's website.												

(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		(b) During the reporting period, the Remuneration, Nomination and Diversity Committee undertook a Performance Evaluation in accordance with the policy.															
Principle 2: Structure the Board to add value																	
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	YES	The Company has a Remuneration, Nomination and Diversity Committee which meets at least once a year. The Committee has a formal charter which is available on the Company's website. Members of the Committee and the number of meetings held during the year ended 30 June 2024 are as follows: <table border="1" data-bbox="1193 624 2107 963"> <thead> <tr> <th>Director</th><th>Meetings Attended</th><th>Meetings Held During the Reporting Period</th></tr> </thead> <tbody> <tr> <td>Bernard De Araugo</td><td style="text-align: center;">2</td><td style="text-align: center;">2</td></tr> <tr> <td>Myles Ertzen</td><td style="text-align: center;">2</td><td style="text-align: center;">2</td></tr> <tr> <td>Jill Irvin*</td><td style="text-align: center;">1</td><td style="text-align: center;">1</td></tr> <tr> <td>Mark Okeby*</td><td style="text-align: center;">1</td><td style="text-align: center;">1</td></tr> </tbody> </table> * Mr Okeby resigned from the Committee on 15 November 2023 and Ms Jill Irvin was appointed onto the Committee on that date. Mr De Araugo is chair of the Committee and all three members of the Committee are considered independent Directors.	Director	Meetings Attended	Meetings Held During the Reporting Period	Bernard De Araugo	2	2	Myles Ertzen	2	2	Jill Irvin*	1	1	Mark Okeby*	1	1
Director	Meetings Attended	Meetings Held During the Reporting Period															
Bernard De Araugo	2	2															
Myles Ertzen	2	2															
Jill Irvin*	1	1															
Mark Okeby*	1	1															

Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	YES	Under the Board Charter, the Company is required to prepare a Board skills matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available on the Company website and in the Annual Report. A copy of the Board skills matrix is available on the Company's website.
Recommendation 2.3 A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation, but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director.	YES	(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Report. Mr Mark Okeby, Mr Myles Ertzen, Mr Bernard De Araugo and Ms Irvin are considered to be independent directors. (b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Director's interests, positions, associations and relationships are provided in the Annual Report. (c) The Board Charter requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Report.

Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	YES	The Board Charter requires that, where practical, the majority of the Board must be independent. The Board consists of five directors, four of whom are considered independent. Details of each Director's independence are provided in the Annual Reports.
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	NO	The Board Charter provides that, where practical, the Chairman of the Board should be an independent Director. The present Chairman, Mr Mark Clark, is not independent as he is a full-time executive of the Company.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	YES	The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

Principle 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	The Board has adopted a set of values which are the foundation for how the Company achieves business objectives, which are supported by the Company's Code of Conduct and other policies available on the Company's website.
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its Directors, senior executives and employees; and (b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code.	YES	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees and is available on the Company's website. (b) Any material breaches of the Company's Corporate Code of Conduct are to be reported to the Board.
Recommendation 3.3 A listed entity should: (a) have and disclose a Whistleblower policy; and (b) ensure that the Board or a Committee of the Board is informed of any material breaches of that policy.	YES	(a) The Company's Whistleblower Policy applies to the Company's Directors, senior executives and employees and is available on the Company's website. (b) The Whistleblower Policy states that the Whistleblower Protection Officer must investigate and disclose any material breaches of the policy to the Board.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or a Committee of the Board is informed of any material breaches of that policy.	YES	(a) The Company's Anti-Bribery and Corruption Policy applies to the Company's Directors, senior executives and employees and is available on the Company's website. (b) The Company's Anti-Bribery and Corruption Policy states that Authorised Officers must investigate and disclose any material breaches of that policy to the Board.

Principle 4: Safeguard integrity in financial reporting**Recommendation 4.1**

The Board of a listed entity should:

(a) have an audit committee which:

- (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and
- (ii) is chaired by an independent Director, who is not the chair of the Board,

and disclose:

- (iii) the charter of the committee;
- (iv) the relevant qualifications and experience of the members of the committee; and
- (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

YES

In November 2023 the Audit and Risk Management Committee was restructured into two separate committees:

- 1. Audit Committee; and
- 2. Risk Management and Sustainability Committee

The Board's Audit Committee meets at least once every six months.

The Committee has a formal Charter, a copy of which is available on the Company's website. The role and function of the Audit Committee is set out in the Audit Committee Charter.

The Committee is comprised of three members all of whom are considered independent directors. Members of the Committee and the number of meetings held during the reporting period are as follows:

Director	Meetings Attended	Meetings Held During the Reporting Period
Myles Ertzen	3	3
Bernard De Araugo	3	3
Jill Irvin*	1	1
Mark Okeby*	2	2

* Mr Okeby resigned from the Committee on 15 November 2023 and Ms Jill Irvin was appointed onto the Committee on that date.

Mr Ertzen is chair of the Committee and all three members of the Committee are considered independent Directors.

Details of each director's qualifications are set out in the Director's Report of the Annual Report. All members of the Audit Committee consider themselves to be financially literate and have relevant industry experience.

Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Executive Chairman and Chief Executive Officer a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	The Company appointed a Chief Financial Officer in June 2024. From that date the Chief Executive Officer and the Chief Financial Officer provided the Board with the appropriate assurances in relation to the statutory financial reports released by the Company. Up until the appointment of the Chief Financial Officer, the Company's Chief Executive Officer fulfilled the role of Chief Financial Officer. The Chief Executive Officer and Chief Financial Officer provide a written statement to the Board that, in their opinion, the financial records were properly maintained and that the financial statements complied with the appropriate accounting standards and gave a true and fair view of the financial position and performance of the Group and that the opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	YES	The Company has comprehensive practices in place to verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions. Copies of all market announcements are also required to be circulated to the Board promptly, to ensure the Board has timely oversight of the nature and quality of information being disclosed to the market.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.	YES	The Board Charter provides details of the Company's disclosure policy. In addition, the Company's Continuous Disclosure policy details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation. The Board Charter and Continuous Disclosure policy are available on the Company website.
Recommendation 5.2 A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	YES	As per the Company's Continuous Disclosure policy, all market announcements are reviewed by all members of the Board, who are required to provide their verbal or written approval, prior to release on the ASX platform.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	The Company's Continuous Disclosure policy states that any written materials containing new price sensitive information must be lodged with the ASX prior to a briefing or presentation commencing.

Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	The Company's website (www.capmetals.com.au) provides information about the Company including its background, latest announcements, reports, presentations, projects and contact details. Information concerning the Company's governance policies and practices are provided on the Corporate Governance page and includes links to key policies, procedures and charters of the Company.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all GMs and AGMs of the Company. Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy. Proxy forms may be lodged by shareholders by way of post, facsimile, transmission to the electronic address specified in the relevant notice of meeting or lodged by online process via the Company's share registry website. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material in that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.

Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	YES	All resolutions at shareholder meetings are decided by a poll rather than a show of hands. The Company's share registry will assist with the running of the poll.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy states that, as a part of the Company's investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary in the first instance.

Principle 7: Recognise and manage risk**Recommendation 7.1**

The Board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
- (i) has at least three members, a majority of whom are independent Directors; and
 - (ii) is chaired by an independent Director, and disclose:
 - (iii) the charter of the committee;
 - (iv) the members of the committee;
 - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

YES

In November 2023 the Audit and Risk Management Committee was restructured into two separate committees:

- 1) Audit Committee; and
- 2) Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee meets on a quarterly basis.

The members of the Committee and the number of meetings held during the reporting period are as follows:

Director	Meetings Attended	Meetings Held During the Reporting Period
Bernard De Araugo	4	4
Myles Ertzen	4	4
Jill Irvin*	2	2
Mark Okeby*	2	2

* Mr Okeby resigned from the Committee on 15 November 2023 and Ms Jill Irvin was appointed onto the Committee on that date.

All members of the Committee are considered independent directors and Mr De Araugo chairs the Committee.

The Committee has a formal Charter, a copy of which is available on the Company's website. The role and function of the Risk Management and Sustainability Committee is set out in the Risk Management and Sustainability Committee Charter.

Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the Board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	(a) The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. This is contained in the Risk Management and Sustainability Committee Charter. (b) The Board annually reviews the risk management framework and receives regular updates from management on risk management.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	The Company does not currently have a formal internal audit function, however the Board oversees the effectiveness of governance, risk management and internal control processes. Management is charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into its management systems, and reporting results of the effectiveness of these systems to the Board. Internal control measures currently adopted by the Company include: i) monthly reporting to the Board in respect of operational and financial performance; ii) authority limits established for management which must not be exceeded unless prior Board approval is obtained; and iii) regular reports to the Board from members of the management team outlining the nature of particular risks and proposed procedures to be adopted. The Board monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations.

Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	YES	The Company's Risk Management Disclosure document (available on the Company's website) details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.
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Principle 8: Remunerate fairly and responsibly**Recommendation 8.1**

The Board of a listed entity should:

(a) have a remuneration committee which:

(i) has at least three members, a majority of whom are independent Directors; and

(ii) is chaired by an independent Director,

and disclose:

(iii) the charter of the committee;

(iv) the members of the committee; and

(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

YES

The Company has a Remuneration, Nomination and Diversity Committee. The Remuneration, Nomination and Diversity Committee has a formal charter which is available on the Company's website.

The members of the Remuneration, Nomination and Diversity Committee and the number of meetings held during the reporting period are as follows:

Director	Meetings Attended	Meetings Held During the Reporting Period
Bernard De Araugo	2	2
Myles Ertzen	2	2
Jill Irvin	1	1
Mark Okeby	1	1

* Mr Okeby resigned from the Committee on 15 November 2023 and Ms Jill Irvin was appointed onto the Committee on that date.

Mr De Araugo is chair of the Committee and all three members of the Committee are considered independent Directors.

Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	YES	The Company's policies on remuneration and the remuneration of Directors and senior executives are contained in the Remuneration Report section of the Directors' Report in the Annual Report. The Remuneration Report separately discloses the remuneration policies and practices for non-executive directors and senior executives (including executive directors). In determining executive remuneration, the Board aims to ensure that remuneration practices are: • Competitive and reasonable, enabling the Company to attract and retain high calibre talent; • Aligned to the Company's strategic business objectives and the creation of shareholder value; • Transparent and easily understood; and • Acceptable to shareholders.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	The Company has a Trading Policy, a copy of which is available on the Company's website. The Policy prohibits Key Management Personnel from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration scheme.