

18 March 2025

CLOSURE OF GOLD HEDGING PROVIDES CAPRICORN ADDITIONAL GOLD PRICE EXPOSURE & NEAR-TERM CASH FLOW ACCRETION

Capricorn Metals Limited (**Capricorn** or the **Company**) is pleased to advise that it has closed out all of its remaining 55,000 ounces of gold forward sale hedge contracts with settlement via a bilateral transaction to issue Capricorn shares to Macquarie Bank Limited (**Macquarie**), the company's hedging and debt financier.

This strategic, modest dilution, equity transaction increases Capricorn's direct exposure to potential gold price upside while preserving existing cash reserves to fund the development of both the Karlawinda Expansion Project and the Mt Gibson Gold Project.

The gold hedging contracts closed are as follows:

Gold Hedging Contracts Closed			
Maturity	Structure	Volume (Ounces)	Price (A\$/oz)
31-Dec-2025	Forward	11,000	2,327
31-Mar-2026	Forward	11,000	2,327
30-Jun-2026	Forward	10,000	2,327
30-Sep-2026	Forward	11,500	2,327
31-Dec-2026	Forward	11,500	2,327
		55,000	2,327

As part of the closure and to mitigate the downside risk, Capricorn also purchased gold put options covering 50% of the volume and the same maturity as the closed hedge contracts as follows:

Gold Put Options Purchased			
Maturity	Structure	Volume (Ounces)	Price (A\$/oz)
31-Dec-2025	Put	5,500	4,500
31-Mar-2026	Put	5,500	4,500
30-Jun-2026	Put	5,000	4,500
30-Sep-2026	Put	5,750	4,500
31-Dec-2026	Put	5,750	4,500
		27,500	4,500

The purchased put options give Capricorn the right (but not the obligation) to sell 50% of the previously hedged ounces at a price of A\$4,500 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 the closure, purchase of put options and transaction costs was \$147 million, and has (other than \$7 million paid out of existing cash holdings) been funded through the issuance of approximately 17.7m new fully paid ordinary shares (**New Shares**) to Capricorn's debt financier and hedge book counterparty, Macquarie at an issue price of A\$7.90 per New Share ¹, representing a modest dilution of 4.3% of Capricorn's existing ordinary shares.

¹The issue of New Shares was undertaken using the Company's placement capacity under ASX Listing Rule 7.1.

In relation to the closed out 55,000 ounces of hedging, every A\$50/oz increase in the gold price above the spot A\$ gold price enhances revenue on the previously hedged production by \$2.75 million, with the closure expected to be materially accretive to FY26 and FY27 free cash flow². The revenue downside (relative to A\$4,720/oz spot price) on 27,500oz of the closed hedging is capped at a maximum of \$6.0 million by the purchase of the A\$4,500/oz put options.

This closure follows the execution of a similar strategy by Capricorn in June 2023 and June 2024 under which a total of 103,000 ounces of gold hedging was closed. This strategy has, to date, delivered approximately \$36 million in revenue enhancements (after closure costs), as Capricorn increased its exposure to the gold price.

Following the current closure, Capricorn's only remaining gold derivative is a 16,700 ounce call option at a strike price of A\$2,260/oz, maturing 30 June 2025. This expected resulting delivery commitment post expiry of the call option represents approximately 1% of gold reserves at the operating Karlawinda Gold Project and 0.4% of Capricorn total gold reserves³.

Importantly, the issue of New Shares to fund the closure of these hedges leaves Capricorn's current cash position fully available for the development of the Karlawinda Expansion Project and the Mt Gibson Gold Project, with no further debt or mandatory gold hedging expected to be required.

Capricorn's Executive Chair, Mark Clark, noted:

"This closure of gold hedging is a continuation of the active hedging management strategy Capricorn has successfully used to enhance revenue and cashflow in a rising gold price environment over the last 2 years. The bilateral transaction to issue equity to Macquarie to close the hedging has given Capricorn the potential to further enhance future operating cashflow and preserve existing cash holdings for the development of our exciting growth projects at a very modest dilution to current shareholders."

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

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² Based on the current spot gold price

³ For full disclosure of the relevant ore reserves refer to ASX announcements released on 1 August 2024 titled "KGP Ore Reserve Increases to 1.43 Million Ounces Expansion Study Underway" (for Karlawinda) and 15 November 2024 titled "Mt Gibson Reserve Grows to 2.59 Million Ounces Increasing Capricorn Reserves to 4.0 Moz" (for Mt Gibson). The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX announcement and that all material assumptions and technical parameters underpinning the estimates of ore reserves in the relevant ASX announcement continue to apply and have not materially changed.

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.