



## \$107 MILLION FUNDING PACKAGE FOR THE KARLAWINDA GOLD PROJECT

**Letter of Commitment and Credit Approved Term Sheet signed with Macquarie Bank for \$107 million**

### ASX ANNOUNCEMENT

13 December 2018

ASX Code: CMM

ABN: 84 121 700 105

#### Board of Directors:

Ms Debra Bakker  
Non-Executive Chair

Mr Stuart Pether  
Non-Executive Director

Mr Peter Benjamin  
Non-Executive Director

Mr Geoff Rogers  
Non-Executive Director

#### Issued Capital:

Shares 747.9M  
Options 55.6M  
Share Price A\$0.063  
Market Cap. A\$47.1M

#### REGISTERED OFFICE:

Level 1, 28 Ord Street  
West Perth, WA 6005

T +61 8 9212 4600

F +61 8 9212 4699

E [enquiries@capmet.com.au](mailto:enquiries@capmet.com.au)

[www.capmetals.com.au](http://www.capmetals.com.au)

Capricorn Metals Ltd (ASX: CMM) ("Capricorn" or "the Company") is pleased to announce that it has received and executed a committed credit approved letter of offer from Macquarie Bank ("Macquarie") for project finance facilities totalling A\$107 million (the "Facilities"). The Facilities include a senior project finance facility ("Project Facility") of \$81 million, a Bank Guarantee facility of \$19 million ("Bank Guarantee") and a working capital facility of \$7 million ("Working Capital Facility") to fund the majority of the construction costs of the Karlawinda Gold Project (the "Project") in Western Australia.

The selection of Macquarie is the culmination of a due diligence process undertaken over the last few months by a number of short-listed banks participating in the debt financing process following the release of the Optimisation Study in June 2018 (see ASX Announcement dated 20 June 2018). Capricorn received a number of credit approved term sheets and would like to thank all the banks that participated in the process.

The pricing, terms and conditions received from Macquarie are competitive and reflect the current low interest rate environment and their detailed understanding of the Project.

Whilst the full terms of the Facilities are confidential, the key points are:

- Project Facility of A\$81 million;
- Bank Guarantee of \$19 million;
- Working Capital Facility of \$7 million from Project Completion;
- Security is provided via a fixed and floating charge over the assets of Greenmount Resources Pty Ltd (a wholly owned operating subsidiary);
- Margin above BBSY (pre-completion and post-completion) is very competitive;
- Loan covenants are customary for a facility of this type and reflect the competitive nature of the current market;
- Five and a half year tenor with a sculpted repayment schedule over the term;
- The Facility can be repaid early at any time without restriction;
- Corporate guarantee provided by Capricorn until the achievement of Project Completion; and
- The hedging facility consists of mandatory hedging of 250,000 ounces over the term of the loan and a discretionary hedging facility.

The Facilities contain typical conditions precedent which are required to be satisfied prior to first draw down, including finalisation of material project agreements, formal facility agreements, implementation of a hedging programme and minimum project equity contribution.

Capricorn's Non-Executive Chair, Debra Bakker, said: "This is a significant milestone for the project and a major step forward in the development of the Karlawinda Gold Project. The Macquarie Bank funding package reflects the quality of the project and the significant work undertaken by the Capricorn team over the last twelve months following completion of the feasibility study in October 2017 and Optimisation Study in June 2018. This outstanding result removes a significant impediment to the development of the project and we can now push ahead to become Australia's newest gold producer".

*For and on behalf of the Board*



**Ms Debra Bakker**  
**Chair**

**For further information, please contact:**

Mr Jonathan Shellabear  
Chief Financial Officer  
Email: [enquiries@capmet.com.au](mailto:enquiries@capmet.com.au)  
Phone: (08) 9212 4600

Media  
Mr Nicholas Read  
Read Corporate  
Phone: (08) 9388 1474

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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.

The Company has concluded it has a reasonable basis for providing the forward-looking statements that relate to the Karlawinda Feasibility Study that are included in this announcement and which has been prepared in accordance with the JORC code (2012) and ASX Listing Rules.