

## RECORD QUARTERLY GOLD PRODUCTION

### CAPRICORN ACHIEVES NET CASH POSITION & CONVERTS PROJECT LOAN TO CORPORATE FACILITY

The board of Capricorn Metals Ltd is pleased to provide the following update:

- Record gold production of 32,018 ounces for the June 2022 quarter completes an outstanding first full year of operations at Capricorn's wholly owned Karlawinda Gold Project (KGP).
- KGP full year production for FY22 was 118,432 ounces, at the upper end of guidance of 110,000 – 120,000 ounces.
- Cash and bullion holdings increased to \$66 million at the end of the Jun22Q (Mar 22: \$45m).
- Net cash of \$1 million at end of Jun22Q, up from net debt of \$20m at end of the Mar22Q. Achieving a net cash position within first year of operations reflects the strong operating performance and cashflow generation of KGP.
- Shortly after the end of the quarter, Capricorn repaid \$15m of its project loan facility with Macquarie Bank, taking cumulative repayments to \$40m since September 2021.
  - The \$15m repayment included a \$5m early, unscheduled repayment and reduces the principal outstanding to \$50m.
- Based on the strength of the KGP life of mine outlook, Macquarie has agreed to convert the \$50m outstanding to a general-purpose corporate loan facility with a single bullet repayment in June 2025. Capricorn can elect to early repay (part or full) the loan at any time without penalty.
- 30,000 ounces of gold forward sale contracts with an average delivery price of A\$2,247/oz have been rolled from July 22 - Dec 22 to Dec 25 - June 26 to align with the maturity date of the new corporate loan facility.
  - The contango earned from rolling those contracts to match the loan maturity has been applied to 39,000 ounces of existing gold hedging due for delivery in March – September 2023, increasing the delivery price of those contracts from A\$2,247/oz to A\$2,295/oz.
- The new corporate loan facility and restructure of the gold hedging allow Capricorn to maximise and utilise its cashflow to pursue both internal and external growth in the short to medium term.
- Further details of operations and exploration activities will be provided in the quarterly report to be released later in July 2022.

#### Capricorn Executive Chairman Mark Clark commented:

“The continued strong operational performance and outlook for the Karlawinda Gold Project have put Capricorn in an excellent position to create balance sheet flexibility by converting the project loan facility to a general purpose, medium term corporate loan facility. This provides a great platform to pursue the outstanding growth opportunities at both the Karlawinda and Mt Gibson gold projects and also to continue our active assessment of external growth opportunities.”

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

**For further information, please contact:**

Mr Kim Massey

Chief Executive Officer

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

**T:** +61 8 9212 4600

**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.