ANNUAL REPORT 2023

CAPRICORN METALS LTD

CAPRICORN METALS LTD

ABN 84 121 700 105

Financial Report for the year ended 30 June 2023

Directors

Mark Clark	Executive Chairman
Mark Okeby	Non-Executive Director
Myles Ertzen	Non-Executive Director
Bernard De Araugo	Non-Executive Director

Company Secretary

Kim Massey

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Share Registry

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Telephone: +61 2 9698 5414 or 1300 288 664

Auditors

KPMG Perth

235 St Georges Terrace

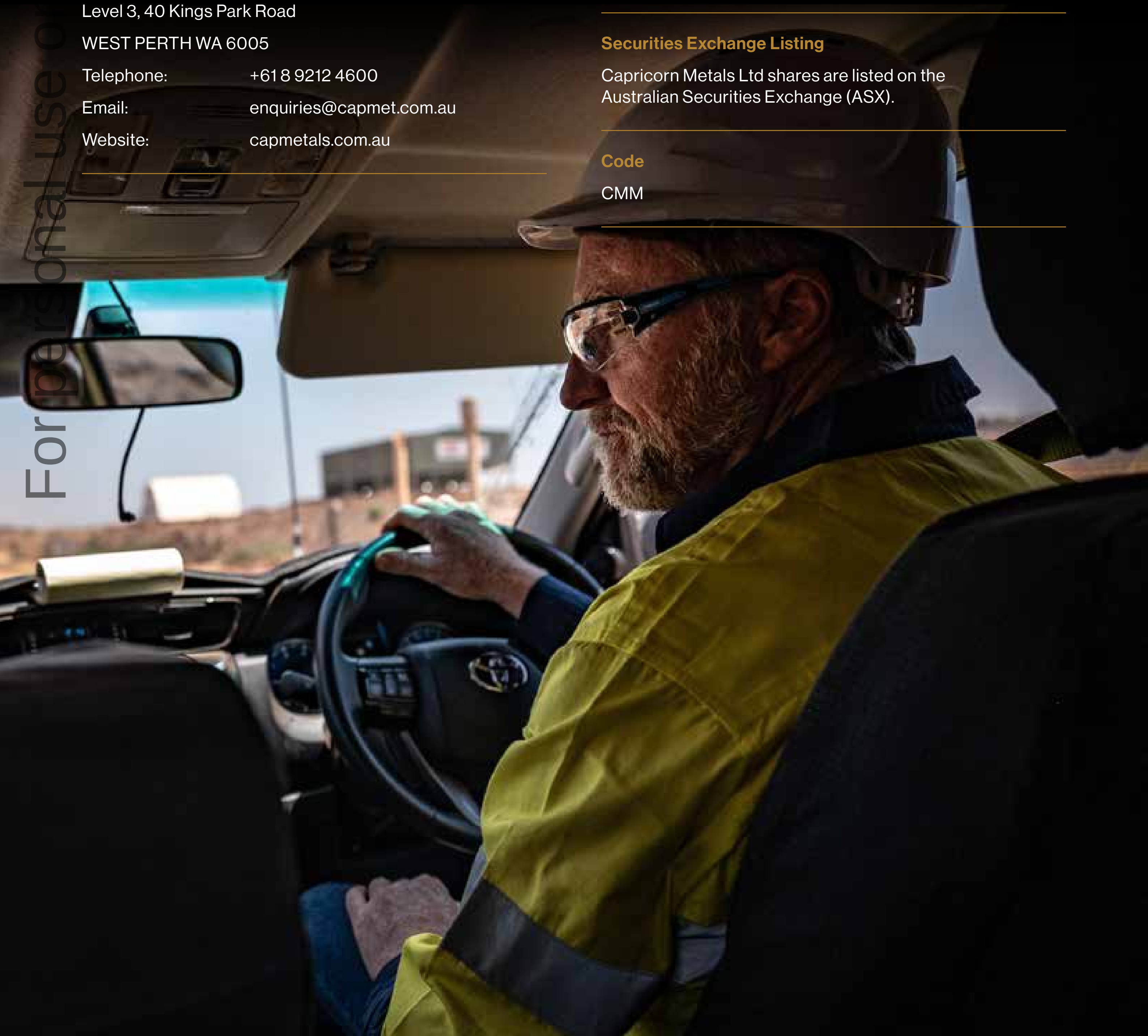
PERTH WA 6000

Securities Exchange Listing

Capricorn Metals Ltd shares are listed on the Australian Securities Exchange (ASX).

Code

CMM



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Chairman's report

Dear Shareholder

It is with pleasure that I report to you on the continued achievements of Capricorn in 2023. This year has further consolidated the Company's position as a low cost Australian gold producer with a strong growth outlook.

Capricorn followed up an excellent first year of operations at Karlawinda with another year of strong production and cashflow. The year also saw us progress the Mt Gibson Gold Project, completing an extensive resource drilling programme and estimating a maiden ore reserve underpinned by a robust pre-feasibility study.

At Karlawinda we achieved record gold production of 120,014 ounces at an all-in-sustaining-cost of $1,208 per ounce which demonstrates the quality of the project. Even more importantly, these results demonstrate the quality and commitment of the management and staff who work at the project. Karlawinda generated operating cashflow of over $150 million for the year, translating to strong cash build on the balance sheet. Capricorn's net cash position strengthened over the course of the year from net debt of $3.9 million to net cash of $55.9 million.

The cashflow generated allowed Capricorn to invest $35.6 million in exploration, primarily focussed on more than 108,000 metres of RC drilling at Mt Gibson that confirmed the potential of the project. This drilling underpinned the estimation of a maiden ore reserve of 1.45 million ounces and a PFS that strongly supports the development of the project. We are excited about the potential of Mt Gibson to become Capricorn's second mining operation with gold production of over 150,000 ounces pa over a long mine life. The development of Mt Gibson would see Capricorn become a multi mine gold producer with low cost production in the order of 270,000 ounces pa.

During 2023 we took the opportunity to close-out our gold hedging commitments for FY24. A total of 51,000 ounces of gold hedging contracts were closed for a total cost of $36.8 million. This cost also included the price of purchased gold put options at A$2,810 per ounce over the same period of the closed hedging. This limits our downside risk on the gold price and provides full exposure to any increase in the A$ gold price in FY24. At the time of writing, the gold spot price is over A$130 per ounce higher than when the hedging was closed. This increase in around four months is indicative of the potential value of this transaction.

I believe 2024 will be another exciting year for Capricorn. We expect Karlawinda to deliver another strong year of gold production, with the resulting cashflow continuing to underpin the funding of our development of Mt Gibson.

I would also like to recognise all the hard work and commitment of Capricorn's staff, management and our key contractors. It is through the effort, expertise and resilience of this group of people that we have delivered such strong results and have created a culture that will see us continue to do so in the future.

Finally, I would like to thank shareholders for your support of Capricorn and for sharing our vision to create a high quality, multi mine Australian gold business.

Mark Clark
Executive Chairman

Net cash position increased by

$59.8m to **$55.9m**

(FY22: net debt $3.9m)

Record revenue of

$320.8m

Record EBITDA of

$161.9m up from

$153.9m in FY22.

Underlying profit of

$85.8m

(after tax but before hedge closure costs & hedge accounting adjustments).

Record gold production at Karlawinda of

120,014ozs

at AISC of

$1,208/oz

Operating cashflow from Karlawinda of

$153m

Maiden Ore Reserve Estimate at Mt Gibson of

1.45m ounces

underpinned by robust prefeasibility study and taking Group Reserves to

2.70m ounces

Highlights | 2023

Corporate

- Net cash position increased by $59.8m to $55.9m (FY22: net debt $3.9m) after payment of $36.8m to partially close-out hedge book (and buy gold put options) and $35.6m in exploration expenditure.
- Increase in net cash position driven by record production at the Karlawinda Gold Project ("KGP") for FY23 of 120,014 ounces at an all-in-sustaining-cost ("AISC") of $1,208 per ounce (FY22: 118,432 oz at $1,112/oz).
- Record revenue of $320.8m includes the sale of 120,320 ounces of gold at an average realised price of $2,665 per ounce.
- Record EBITDA of $161.9m up from $153.9m in FY22.
- Profit after tax before gold hedge closure cost and hedge accounting adjustments of $85.8m was in line with the FY22 result of $89.5m.
- Profit after tax, gold hedge closure cost and hedge accounting adjustments was $4.4m (FY22: $89.5m).
- Close-out of 51,000 ounces of gold hedging in June 2023 at a cost of $33.1m provides exposure for the next 12 months to the gold spot price which is currently more than $130 per ounce higher than the spot price at closure.
- Refinancing of project loan facility with Macquarie Bank during the year which converted the facility into a general-purpose corporate loan with a single bullet repayment in June 2025.
- Non-binding indicative term sheet for a A$200 million extension of current corporate loan facility provided by Macquarie Bank to fund the development of the Mt Gibson Gold Project ("MGGP").

Financial results	FY23 $'000	FY22 $'000	Change
Revenue	320,840	287,043	33,797
EBITDA	161,925	153,934	7,991
Profit after tax - before hedge restructure	85,796	89,483	(3,687)
Hedge closure cost (after tax)	(23,173)	-	(23,173)
MTM adjustment on hedge book post restructure (after tax)	(58,224)	-	(58,224)
Net profit after tax	4,399	89,483	(85,084)
Earnings per share (cents)	1.18	24.27	23.09
EBITDA margin	50.5%	53.6%	(3.1%)
Cashflow from operating activities	152,560	134,657	17,903

Karlawinda Gold Project (KGP)

Operations

- Record gold production of 120,014 ounces for the year despite significant impact of rainfall on operations in the March 2023 quarter and other operational challenges.
- The AISC of gold production for FY23 at Karlawinda of $1,208/oz continues to be amongst the lowest in the Australian gold industry.
- Cashflow from operating activities of $152.6m, up 13% from FY22 reflects the strong operational and financial performance of the KGP.
- Capricorn expects to continue strong cashflow generation in FY24 with production guidance of 115,000 – 125,000 ounces at an AISC of $1,270 - $1,370/oz.

Operating results		FY23	FY22
Ore mined	BCM (000's)	2,443	2,790
Waste mined	BCM (000's)	10,129	8,954
Stripping ratio	w:o	4.15	3.21
Ore mined	tonnes (000's)	5,807	5,940
Ore milled	tonnes (000's)	4,219	4,450
Head grade	g/t	0.96	0.89
Recovery	%	93	94
Gold production	ounces	120,014	118,432
All-in-sustaining-cost (AISC)	$/oz	1,208	1,112

Highlights | 2023

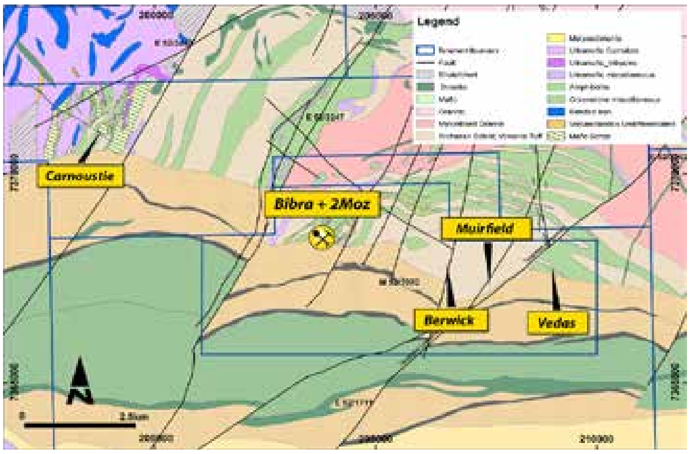
Exploration

Drilling programmes – Near mine

- Extensive drilling programmes across the KGP tenement package during the year of 1,020 holes for 73,335 metres identified exciting and near mine deposits, regional targets and delivered resource and reserve upgrades in FY23.
- First pass drilling programmes completed at near mine targets at Muirfield, Carnoustie, Vedas and Berwick delivered encouraging results (see below).

Drilling results

Muirfield	
8 metres @ 6.32g/t from 24 to 32m	4 metres @ 1.45g/t from 68 to 72m
4 metres @ 6.44g/t from 92 to 96m	4 metres @ 1.88g/t from 132 to 136m
12 metres @ 1.24g/t from 44 to 56m	
Carnoustie	
5 metres @ 4.0932g/t from 149m	4 metres @ 1.45g/t from 68 to 72m
Vedas	
8 metres @ 4.36g/t from 84 to 92m	10 metres @ 1.51g/t from 145 to 155m
8 metres @ 2.24g/t from 112 to 120m	4 metres @ 1.64g/t from 104 to 108m
Berwick	
8 metres @ 14.9g/t from 74 to 82m	5 metres @ 9.37g/t from 99 to 104m
4 metres @ 11.25g/t from 45 to 49m	6 metres @ 4.11g/t from 47 to 53m
3 metres @ 7.78g/t from 116 to 119m	2 metres @ 9.36g/t from 78 to 80m

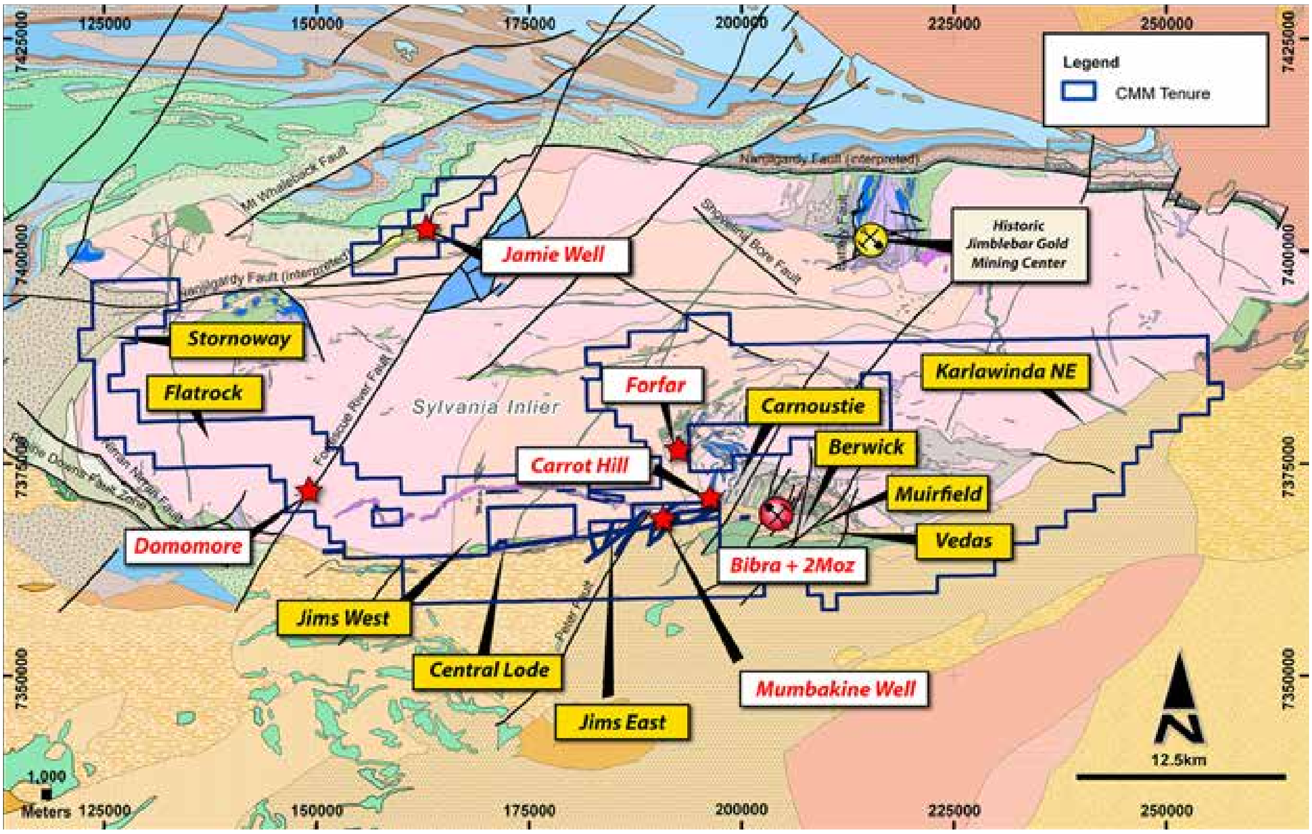


Karlawinda current near mine exploration targets

Drilling programmes - Regional

- Regional exploration programmes commenced after significant first pass exploration work during the year across the broader tenement package including geochemical soil sampling, aeromagnetic surveys and heritage clearance work.
- A number of prospective regional targets identified with drilling completed, underway or planned at Jamie Well, Donomore, Forfar, Carrot Hill and Mumbakine Well.

Highlights | 2023



Reserves & Resources

+ Mineral Resource Estimate ("MRE") upgraded in October 2022 from 2.14 million ounces to 2.29 million ounces and subsequently depleted for production to March 2023 to 2.23 million ounces.
+ Ore Reserve Estimate ("ORE") upgraded in October 2022 from 1.20 million ounces to 1.34 million ounces and subsequently depleted for production to March 2023 to 1.25 million ounces.

Mt Gibson Gold Project (MGGP)

Maiden Ore Reserve Estimate and Updated Resource Estimate

+ Extensive drilling campaign that commenced in January 2022 delivered maiden ORE and robust prefeasibility study into the development of the MGGP.
+ Maiden ORE of 48.7 million tonnes at 0.9g/t Au for 1.45 million ounces of gold completed in April 2023.
+ Updated MRE of 104.9 million tonnes at 0.8g/t for 2.75 million ounces of gold completed in November 2022.

Highlights | 2023

Prefeasibility Study

+ Prefeasibility study underpinning maiden ORE demonstrates robust project with forecast gold production averaging 152,000 ounces per annum over the project's first 7.5 years of operation at AISC of $1,420 per ounce.

Strong Production Profile	Long Mine Life	Low Cost High Margin	Low Capital Cost	Strong Financials (post capex pretax) @ GP A$2750/oz	Low Technical Risk
152kozpa for first 7.5 yrs Peak 175kozpa	10 years 1.45Moz ORE Avg pit depth only 140m - drill to extend	AISC A$1,420/ oz first 7.5 yrs	5mpta plant A$260m Preproduction mining A$79m	NPV_5 A$828m FCF A$1.2bn Payback 1.9 years	Open pit Strip ratio 4.2 Contract mine Conventional Processing 93% recovery

+ With the established gold production at KGP, the development of MGGP has the potential to lift Capricorn to circa 270,000 ounces per annum production, which would rank Capricorn in the 10 largest gold producers and in the lowest quartile AISC of ASX listed gold producers.
+ Capital cost estimate of $260m for a 5mtpa fresh rock capacity processing plant and $79m of pre-production mining.
+ Compelling economic metrics using gold price of A$2,750 per ounce including:
  - $1.5 billion of operating cashflow over 10 year mine life;
  - LOM revenue of A$3.6 billion;
  - LOM free cash flow (pre-tax) of $1.2 billion;
  - Rapid payback period pre-tax of 1.9 years; and
  - Pre-tax NPV_5 of $828 million.
+ Board approved advancing project with a target of commencing construction H2CY24 and first gold production H2CY25.
+ Financing from strong KGP cashflow and $200m extension of corporate debt facility.

Exploration

Drilling programmes – Near mine

+ 104,000 metres of resource drilling completed and assayed from January to November 2022, delivering a substantial MRE increase in November 2022, which provided a strong basis for a maiden ORE in April 2023.

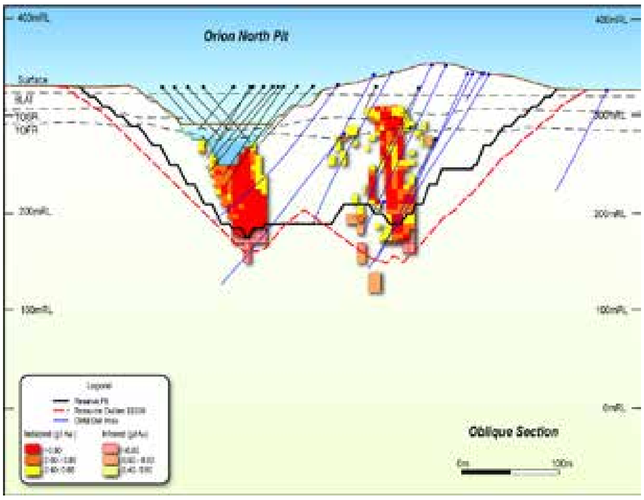
Highlights | 2023

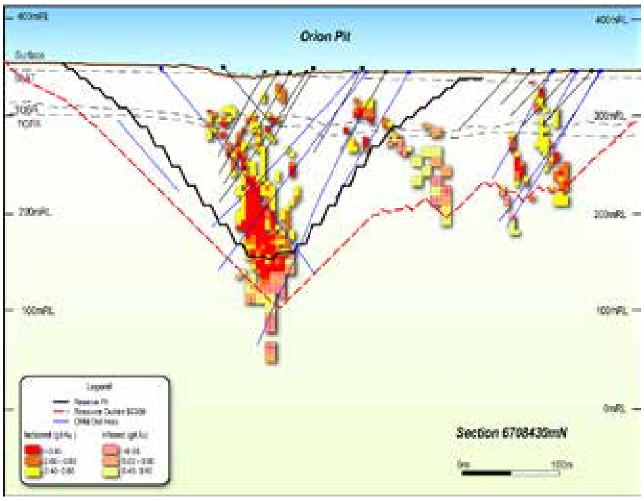
Drilling results

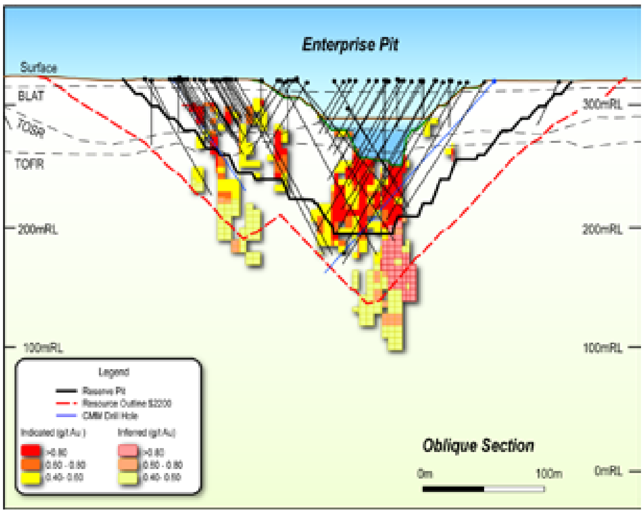
- Encouraging results returned from drilling in FY23 include:

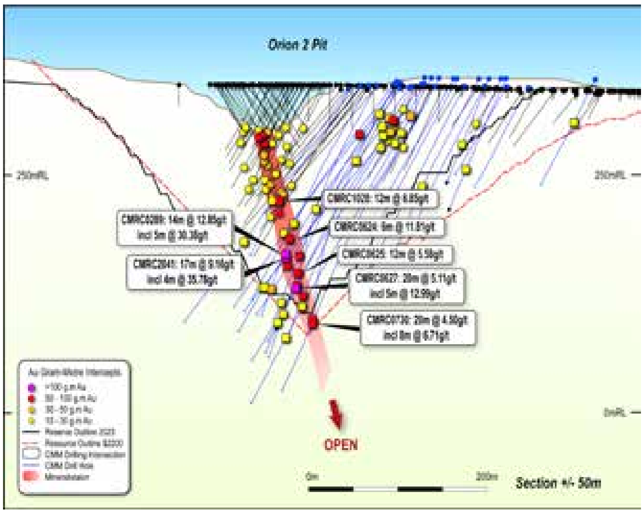
8 metres @ 11.24g/t from 76 to 84m	8 metres @ 14.51g/t from 203 to 211m
14 metres @ 12.85g/t from 208 to 222m	47 metres @ 2.36g/t from 78 to 125m
21 metres @ 4.77g/t from 222 to 234m	50 metres @ 2.01g/t from 136 to 186m
17 metres @ 9.16g/t from 228 to 245m	15 metres @ 7.11g/t from 165 to 180m
26 metres @ 4.11g/t from 191 to 217m	20 metres @ 5.11g/t from 236 to 256m

- The results received validate the historic 660,000 metre drill database acquired with the project and indicate the potential for the resource to grow at depth and along strike.
- Drilling on the unmined areas Orion, S2, Saratoga and Deep South trends continues to define zones of high-grade within and outside the 2022 resource shell. These trends have the potential to improve the overall economics of the project.
- Follow up drilling planned to extend significant mineralisation beyond current resource shells.
- Target extension of higher grade areas to develop a better understanding of underground potential.





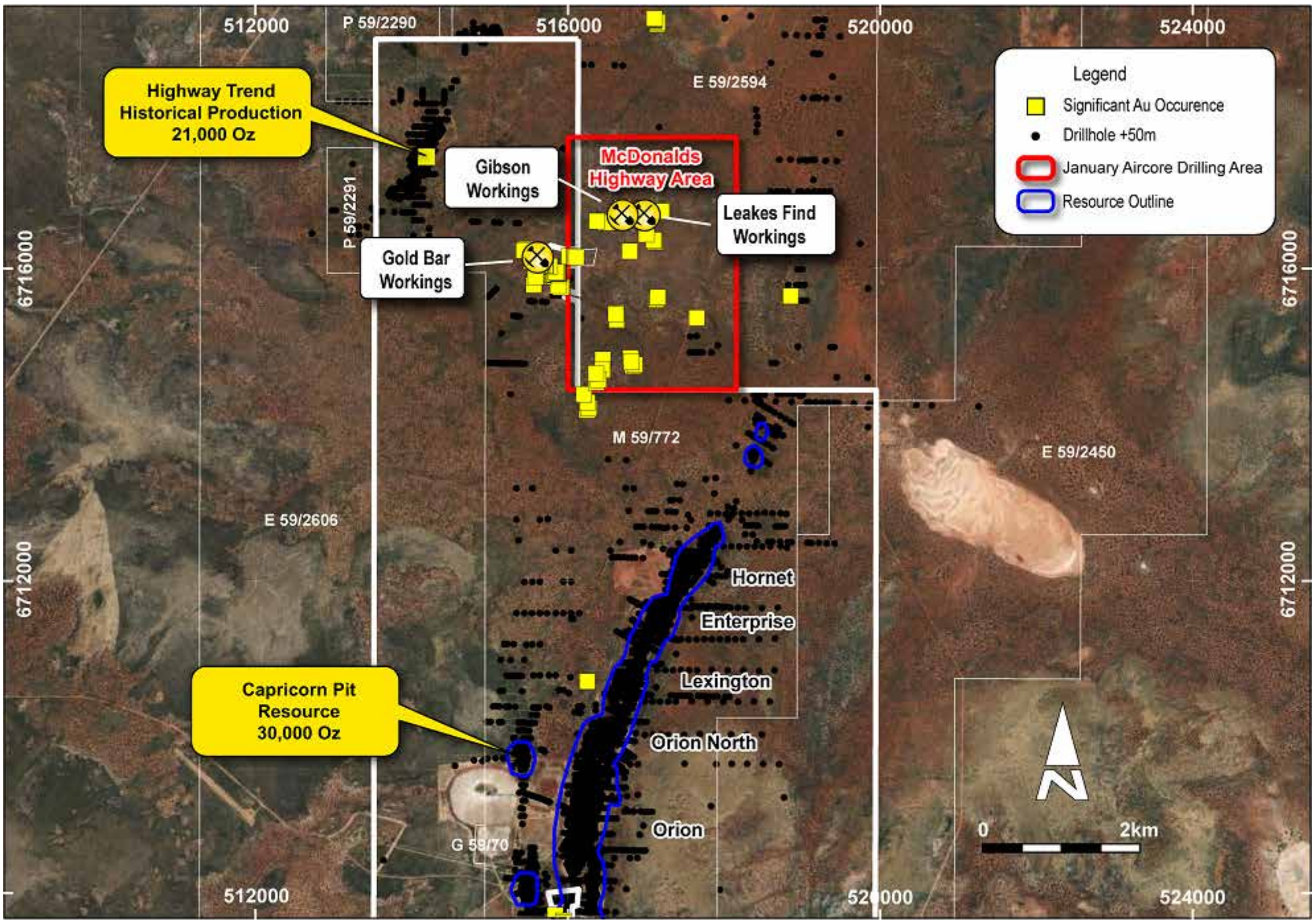


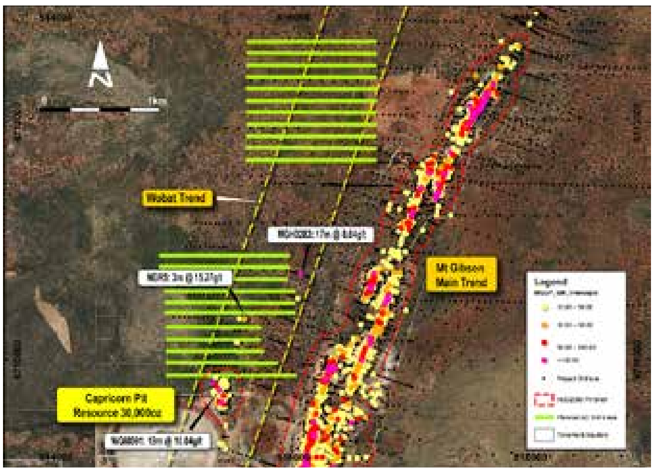


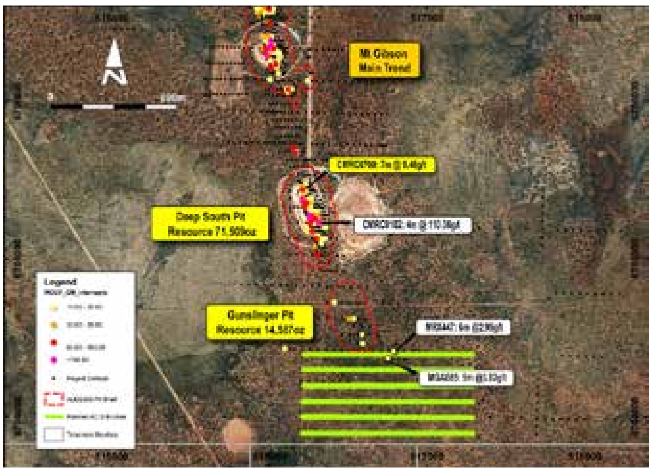
Highlights | 2023

Drilling programmes – Regional

+ Significant near mine targets parallel to main Mt Gibson mine trend and southern extensions of main mine trend:
  - 30,000 metre aircore drilling programme underway in FY24 targeting near surface gold deposits proximal to reserves; and
  - Significant near mine targets parallel to main Mt Gibson mine trend and southern extensions of main mine trend.
+ Exciting regional exploration potential across the broader tenement package with first pass drilling completed across the McDonalds/Highway area, 5 kilometres north of the Mt Gibson main mine trend.
  - Drilling confirmed mineralisation with follow-up programmes planned in FY24.







Environmental, social and governance report

FY23 SUSTAINABILITY ACHIEVEMENTS

+ Delivered inaugural Capricorn Environmental, social and governance ("ESG") report.
+ Signed a Heritage Agreement with the Badimia people over the area of land comprising the Mt Gibson Gold Project ("MGGP").
+ Completed several cultural heritage surveys with the Nyiyaparli, Ngarlawangga and Badimia people over the Karlawinda Gold Project ("KGP") and MGGP project tenements.
+ Over 84% procurement spend from Western Australia.
+ Zero reportable environmental incidents in FY23.
+ Approval and implementation of a comprehensive water management strategy for the KGP.
+ Completed our first materiality assessment.
+ Strengthened governance framework with new social and environmental policies.

OUR SUSTAINABILITY APPROACH & SCOPE

We are pleased to deliver our inaugural ESG Report this year, demonstrating our commitment to shared and sustainable value for all our stakeholders. We recognise that responsible stewardship of environmental, social and governance activities are not only important to our shareholders, but shape the relationship we have with our employees, our communities, and the impact on the natural environment where our projects are located.

Our first ESG report provides a summary of our sustainability strategy and performance at the Company's KGP in the Pilbara, our MGGP being developed project in the Murchison and our corporate head office in Perth. We consider our business strategies, stakeholder considerations, peer benchmarks and updates in ESG disclosures in our reporting. It is an important first step in establishing and reporting our baseline ESG data and to articulate a roadmap for continuous improvement. We will continue to expand these to reflect the company's growth and sustainability ambitions.

This report is prepared in reference to the Global Reporting Initiative (GRI) 2021 Standards and covers the period from 1 July 2022 to 30 June 2023. This ESG Report should be read in conjunction with the financial and governance information from this Annual Report.

STAKEHOLDER ENGAGEMENT

We believe that positive collaboration with all our stakeholder groups is critical to the success of our projects and forms the basis for our social license to operate. As part of the materiality assessment, we mapped our key stakeholders, summarising the purpose and priorities of our engagement and the different ways we communicate and engage with these groups.

Environmental, social and governance report

STAKEHOLDER GROUP	PRIORITIES	ENGAGEMENT
Internal stakeholders		
Employees and contractors	A safe and healthy workplace; employee retention and development; professional development and training opportunities	Regular communication and consultation; Training and development programs
Board	Prudent and transparent corporate governance; risk management; return on investment	Regular Board meetings; AGM; Annual Report; direct and open communication lines between executive and Board
External stakeholders		
Shareholders & investors	Return on investment and equity; Sensible allocation of capital and management of risk	ASX releases, investor briefings, road shows, presentations, annual, half yearly and quarterly financial reports, direct engagement, AGM, Annual Report
Nyiyaparli, Ngarlawangga, Badimia People and their communities	Respect for local customs and laws; cultural heritage preservation; land agreements; land care	Face-to-face meetings, cultural surveys and mapping
Local communities	Social investment with local community; environmental impact and performance; access to pastoral land	Community engagement and consultation; Direct engagement; Whistleblower Policy
State, federal government and local shires	Regulatory compliance with laws and policies; Land access and approvals	Direct engagement and consultation
Regulatory agencies	Compliance reporting	Regular submission of data and requests for information; direct engagement
Financial providers and analysts	Transparent reporting of company updates and ESG programme; prudent risk management; financial performance; governance	Regular investor presentations; annual, half yearly and quarterly financial reports; direct engagement; ASX releases
Suppliers	Quality goods & services; prompt payment; responsible sourcing	Direct engagement; communications; training
Pastoralists	Social investment with local community; environmental impact and performance; access to pastoral land (Weelarrana pastoral station)	Community engagement; Direct engagement; Whistleblower Policy
General public and partners	Community engagement and support	Direct engagement; Whistleblower Policy
Media	Risk management; environmental performance; community engagement	Transparent public reporting and media engagement; ASX releases
Community organisations and local businesses	Local procurement and support; social investment	Business procurement support; community engagement, meetings and correspondence as required
Peers and industry groups	Industry knowledge and networking	Regular engagement and collaboration
Educational institutions	Employment, training and industry pathways	Communication and consultation; research and collaboration

MATERIALITY ASSESSMENT

Capricorn undertook its first materiality assessment this year to identify and prioritise the material topics with the greatest impact on our business and stakeholders. Working with external ESG consultants, we formed an ESG project team with internal subject matter experts and representatives from the executive. The team mapped key stakeholders and considered sustainability risks and opportunities across our operations, aligned with our strategic focus and reporting obligations. They prioritised the most important topics, with the results reviewed and approved by Capricorn's executive team and the Board.

Identify

Stakeholders were mapped and a list of potential material topics was compiled based on our understanding of material risks, industry benchmarks, company strategic focus and stakeholder expectations.

Prioritise

Internal stakeholders were invited to rate the importance of each topic. Results were then used to formulate a materiality matrix with prioritised material topics under two dimensions: importance to business and importance to our stakeholders.

Validate

Senior leaders within the Company reviewed and validated the outcomes of the materiality assessment.

Review

Material topics will be reviewed on an annual basis.

MATERIAL TOPICS

Our top eight material topics as selected by Capricorn for reporting in FY2023 are listed in the pillars below. These topics reflect the current focus of the company and inform the content of this report.

ENVIRONMENT

- Climate Change & Emissions
- Biodiversity & Environmental Management
- Water Management

SOCIAL

- Health, Safety & Wellbeing
- Cultural Heritage
- Diversity & Equal Opportunity

GOVERNANCE

- Business Ethics & Governance
- Economic Performance

REPORTING STANDARDS

Global Reporting Initiative

We have drawn on disclosure guidance from the Global Reporting Initiative (GRI) Standards 2021. This report incorporates the GRI principles of organisational context, structure and materiality assessment and prioritisation.

Taskforce on Climate-Related Financial Disclosures (TCFD)

Capricorn recognises the importance of managing our carbon footprint in response to global warming. We intend to report against the Taskforce on Climate-Related Financial Disclosures (TCFD). The TCFD framework is structured around four key areas: governance, strategy, risk management, and metrics and targets. These disclosure recommendations will provide transparency on our climate-related risk exposure and help us to implement appropriate mitigation measures and capture opportunities. We plan to address these over the medium term, beginning with governance, physical and transition risk identification in FY2024.

Disclosure Recommendations

The Task Force developed four **widely-adoptable recommendations** on climate-related financial disclosures that are applicable to organisations across sectors and jurisdictions.

The recommendations are structured around four thematic areas that represent core elements of how organisations operate:

Governance

The organisation's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Risk Management

The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

ENVIRONMENTAL

Material topic: Biodiversity & Environmental Management

Careful stewardship of the natural environment at our projects in the Pilbara and Murchision is a priority focus for Capricorn. We recognise that our operations, particularly through clearing, ground disturbance, mining vehicle movement and waste disposal can have a significant impact on the ecosystems within our tenement areas. We have put in place measures to address and avoid any potential significant impacts on vegetation and fauna species.

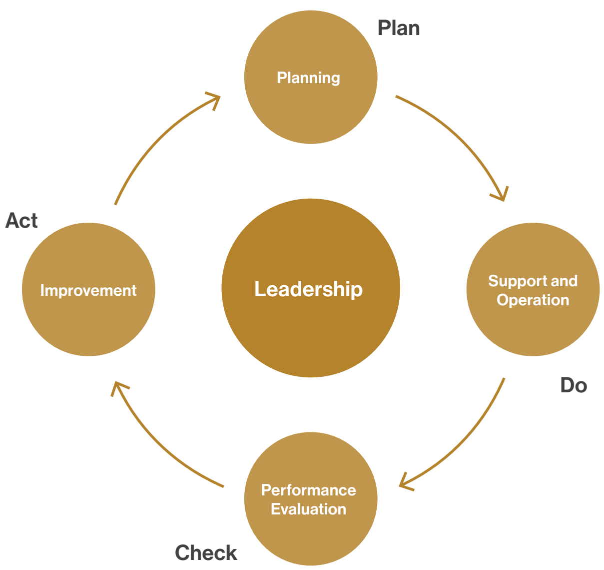
Environmental Management System

We have implemented an Environmental Management System (EMS) to manage any biodiversity and environmental impacts, and to identify and address risks and compliance issues at our operations.

The Environment Management Plan (EMP) is a key element of the EMS. The EMP outlines the programme for Capricorn to effectively manage environmental factors in all our activities and to meet our legal and compliance obligations. As well as managing the risk of unintended or unnecessary environmental impacts, the EMP also seeks to reduce or eliminate the business risk associated with poor environmental outcomes at our operations. The EMS is aligned with the international standard for environmental management systems, ISO 14001:2015, and will be continuously updated and amended to ensure that:

+ We meet our environmental objectives and targets.
+ Understand and adhere to our legal and compliance obligations.
+ Our environmental management activities are clearly defined.
+ We demonstrate a commitment to successful environmental management.

We seek to continuously improve our environmental management procedures by applying the Plan-Do-Check-Act (PDCA) model as illustrated in the figure below.



Groundwater Dependant Vegetation Assessment (GDV)

At the KGP Capricorn engaged an independent environmental specialist to complete two Groundwater Dependant Vegetation (GDV) assessments at four locations on the Weelarrana pastoral station during the year. We also carried out a Groundwater Dependent Ecosystem (GDE) assessment on the KGP and surrounding areas, focusing on Savory Creek. This assessment has evaluated the presence/absence of GDEs. We also completed an onsite field assessment to determine the presence of key phreatophytic species and then determined the level of dependency and potential impact to the GDEs from the proposed activities. The results of the assessment indicated that the projects' activities are unlikely to impact the surrounding vegetation communities.

Fauna update

We have an Environmental Policy in place to protect native fauna, as well as specific actions in case there is an injured animal. The KGP has six certified snake handlers and three fauna handlers and works actively with native fauna when necessary.

Rehabilitation update

This year at the KGP 142ha of transport and service infrastructure disturbance is currently under rehabilitation. A total of 83,984m³ of topsoil was stockpiled during the reporting period with a gross total of 592,293m³ available for rehabilitation on closure.

Capricorn also initiated a topsoil rehabilitation inspection in 20 stockpile points in 2021 (Tailings Storage Facility, waste dump, plant, ROM and aerodrome). The programme consists of a biannual (twice per year January and July) inspection of the various topsoil locations with photographic evidence. The photographic stations were designed to take pictures at the same point and direction while the topsoil rehabilitation monitoring programme is functioning. The inspection aims to verify changes of pioneer and succession vegetation species in the stockpiles, verifying the condition of the soils.

Future focus

In FY24 at the KGP, we plan to commence waste rock landform rehabilitation and continue GDV/GDE assessments and topsoil monitoring.

Rehabilitation focus

Land disturbance & rehabilitation	FY23 (hectares)
Gross land disturbed at the beginning of the reporting period	1,045
Current land disturbed at the beginning of the reporting period	1,045
Newly disturbed land	72
Gross land disturbed at the end of the reporting period	1,117
Newly rehabilitated land to agreed end use	142
Total land rehabilitated to date	142
Total current land disturbed (for future rehabilitation)	975
Total land disturbance that has been rehabilitated to date	1.14

Environmental compliance	Unit	FY23
Material environmental incidents	Number	0
Monetary value of significant fines	$	0
Non-monetary sanctions	Number	0

Material topic: Water Management

Water scarcity is one of the most critical natural environmental issues in Western Australia and is also a vital resource for ore processing. We understand the importance of sensitively managing our water use and minimising any impact from our operations on this precious resource. Our commitments to responsible water stewardship and sourcing are outlined in our Environment Policy. No incidents or compliance breaches with respect to water management were recorded in FY23.

Water operating strategy

This year at the KGP we developed and implemented a comprehensive water operating strategy which was revised and formally approved by the Department of Water and Environmental Regulation (DWER). Monitoring the programs across our operations is essential to assess potential impacts, evaluate and refine hydrogeological conceptualisation and inform modelling of the groundwater regime.

The specific objectives of the monitoring programme includes:

+ the early identification of potentially adverse environmental impacts.
+ assess and refine the hydrogeological conceptualisation.
+ understand and communicate the impact of the operation on the groundwater regime.

Tailings Storage Facility

Our efforts to maximise water recovery from the Tailings Storage Facility (TSF) achieved 46% recovery in FY23. We have 'low-to-no' risk from water stress in our operational areas because we do not compete with others for water allocation, nor do we use surface water in our operations. Vehicle maintenance is undertaken in designated workshop areas on concrete pads where water is drained to a clean water recovery system. Washdown water is treated via a process to separate solids and hydrocarbons from the water. The treated water is re-used for dust suppression purposes.

Water efficiencies

Other practices undertaken to ensure the efficient use of water around the KGP site, include:

+ Tailings delivery and water return pipes and containment corridor are inspected daily for any visible leakage or damage.
+ Weekly inspections of all pipelines and regular maintenance and correct operation of borefield infrastructure.
+ If significant change occurs to the process demand or overall water use, the site water balance will be reviewed to identify where opportunities exist to improve water use efficiencies.
+ Water use efficiency initiatives are continually reviewed and reported on in the annual monitoring reports.

Water management performance at the KGP

Water withdrawal	FY23
Surface water withdrawn	Nil
Borefield water withdrawn	3,182,693m³
De-watering	192,540m³
Third party water withdrawn	Nil

Water returns to the environment	FY23
Surface water discharged	Nil
Managed aquifer recharge	Nil
Third party water discharged	Nil

Recycled water	FY23
Water reused	Nil
Water clarifier	Nil
Reverse osmosis – water reused	34,685m³

Reused water	FY23
Tailing decant return	2,665,578 m³
Other water reuse activities	Nil

Material topic: Climate Change and Emissions

We recognise the impact of the mining sector on the warming climate, the associated climate risks for our projects and the importance of actively managing emissions across our business. Climate is considered as part of the sustainability and environmental risks addressed by our Risk Management Framework, governed by our Audit and Risk Committee Charter, which is available on our website.

Climate risk disclosure

As mentioned in our reporting section, we also have ambitions to map our climate risks against the Taskforce for Climate-Related Financial Disclosures (TCFD). The TCFD framework is structured around four key areas: governance, strategy, risk management, and metrics and targets. These disclosure recommendations will provide transparency on our climate-related risk exposure and help us better understand the risk and opportunities posed by climate change.

Emissions & Energy

Capricorn has chosen to utilise gas over diesel as a primary energy source to improve greenhouse gas emissions efficiencies over the life of the KGP. We report our annual emissions to the *National Environmental Protection (National Pollution Inventory)* and the *National Greenhouse and Energy Reporting Act 2007.*

Energy and emissions performance

Energy consumption	Unit	Operations	Corporate Office
Diesel	L	163,641	0
Electricity purchased from grid	kWh	0	24,648
Total energy consumption	GJ	1,659,815	89
+ Energy produced & consumed (thermal generation)	GJ	294,710	0
+ Energy consumed (diesel, petroleum & natural gas)	GJ	1,365,105	0
+ Energy consumed (electricity purchased)	GJ	0	89
Percentage of total energy consumption from renewable sources	%	0	0

Emissions	Unit	Operations	Corporate Office	Total
Scope 1 emissions	t CO2 -e	79,684	0	79,684
Scope 2 emissions	t CO2 -e	0	17	17
Total emissions (Scope 1 & 2)	t CO2 -e			79,701

Air Emissions	Unit	Operations
Carbon monoxide	Kg	174,400
Lead & compounds	Kg	93
Mercury & compounds	Kg	1,51
Oxides of nitrogen	Kg	405,000
Particulate Matter 10.0 um	Kg	2,712,230
Particulate Matter 2.5 um	Kg	19,650
Sulfur Dioxide	Kg	388
Total Volatile Organic Compounds	Kg	13,114

Dust management

Dust management is undertaken on a continuous basis across the KGP operations to prevent impacts to the environment, and to ensure safe operations for mining activities. Dust controls include:

+ Water carts (applying dewatering water to roads and other areas at high risk of generating dust).
+ Sprinklers and sprays in the processing plants.
+ Return scrapers on conveyor belts.
+ Restricted traffic areas.
+ Speed limits and signage in designated work areas.
+ Regular road maintenance and formal inspections and audits.

Waste management initiatives

Sustainable waste management was one of the many focuses for our operation when it commenced and we immediately implemented a waste reduction programme across the KGP operation. Containers and cardboard are a significant contributor to our landfill and recycling these not only reduces our waste volumes but has raised over $21,000 for our designated charity, Perth Children's Hospital (PCH). To date, we have recycled 211,249 containers raising over $21,000 with 100% being donated to PCH. During the last financial year 146,897 containers generated $14,690 in funding support. In addition to the containers, we have recycled 4.7 tonnes of cardboard which would otherwise have gone to site landfill.

SOCIAL

Material topic: Health, Safety & Wellbeing

We want everyone to be safe and healthy at work. It is with deep regret however that we recorded one fatality at our KGP in October 2022 with the death of an employee of mining contractor MACA. The safety and wellbeing of all employees and contractors of the Company remain our highest priority and our thoughts and condolences remain with the MACA employee's family, friends and colleagues. Counselling was provided on-site and available post event to all personnel involved or impacted by this tragic incident.

We resolve to further our commitment to the highest standards of health and safety by strengthening audit and assurance programmes, prioritising safety training, effective risk and hazard assessment, incident investigation and active engagement by all employees and contractors. As a company, we seek to drive continuous improvements in health and safety management, while encouraging everyone to take responsibility for safe work practices.

Health & Safety Policies

Our overarching approach and objectives for health and safety are described in our Health and Safety Policy, which highlights risk management principles to identify and reduce risks, a consultative approach with employees on safety matters and an emphasis on safety training.

Other more specific policies include a Workplace Rehabilitation Policy which sets out the company's commitments following a workplace injury; and a Mental Health and Wellbeing Policy that describes our position on an inclusive and supportive workplace and the promotion of measures to support mental health and wellbeing.

Health & Safety Management System

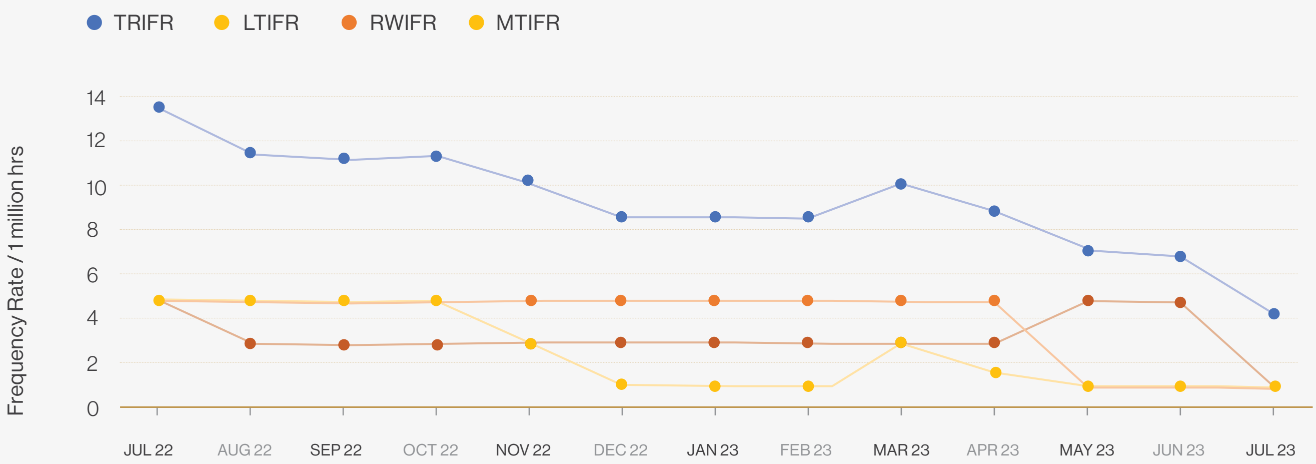
We have adopted a comprehensive Workplace Health & Safety (WHS) Management System, aligned to ISO45001 and the WorkSafe Mine Safety Management System Code of Practice, which covers all of our employees and contractors. It has recently been externally audited against the WHS Act 2020 and WHS (Mines) Regulations 2022.

In the 2023 financial year, Capricorn achieved safety frequency rates of 7.14 for Total Recordable Injury Frequency Rate (TRIFR) and 1.43 for Lost Time Injury Frequency Rate (LITFR).

Data Indicators[1]	Employees & contractors FY23
Fatalities	1
Fatality Rate	1.43
Lost Time Injuries (LTI)	1
Lost Time Injury Frequency Rate (LTIFR)	1.43
Medical Treatment Injuries (MTI)	1
Medical Treatment Injury Frequency Rate (MTIFR)	1.43
First Aid Injuries (FAI)	22
Restricted Work Injuries (RWI)	3
Restricted Work Injury Frequency Rate (RWIFR)	4.28
Total Recordable Injuries (TRI)	5
Total Recordable Injury Frequency Rate (TRIFR)	7.14
Total hours worked	700,578
Percentage of employees and contractors covered by occupational health and safety management system	100%

1 Capricorn fatality rates, LTIFR, MTIFR, TRIFR and RWIFR are calculated by the number of injuries/fatalities divided by the total hours worked x 1,000,0000 hours worked.

12 Month Rolling Injury Frequency Rates



Safety training

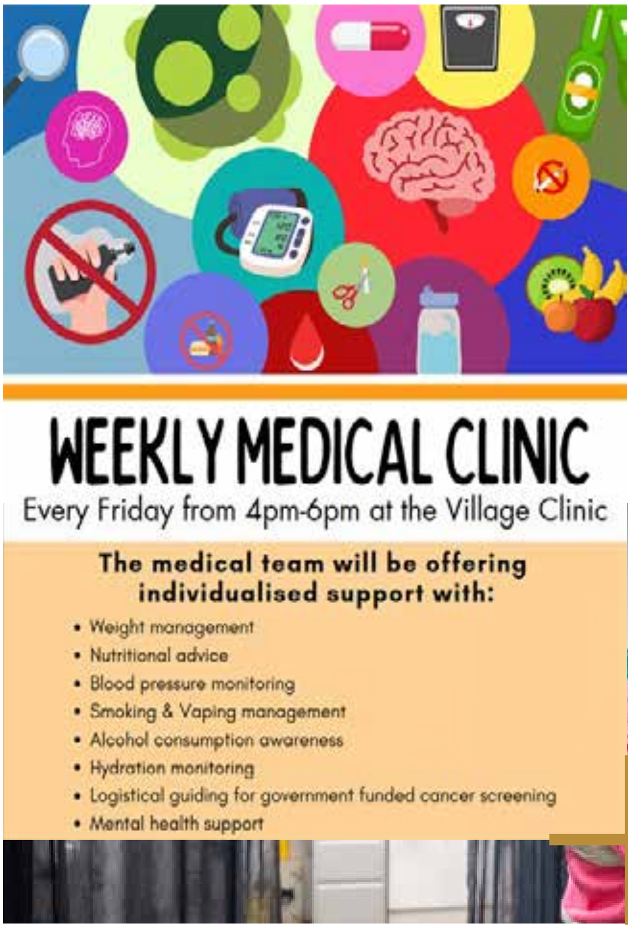
Safety training initiatives in FY23 included:

+ Introduction of a monthly safety reward programme for our employees and contractors.
+ WHS Training completed as per position requirements with over 13,000 hours of internal, online or external training recorded.
+ Commenced WHS Training for statutory position holders in line with new WHS (Mines) Regulations 2022.
+ Continued with Cert III Mine Emergency Response and Rescue courses for ERT Members.

Health and Wellbeing

Health and wellbeing initiatives in place in FY23 include:

+ Development of a Mental Health and Wellbeing Policy to guide best practice within the company.
+ An Employee Assistance Programme (EAP), available to all employees.
+ A weekly medical clinic available to all employees and contractors provides general health and mental health support and nutritional advice.
+ Routine training provided through our toolbox sessions with a focus on mental health, targeting the implementation of formalised training and education sessions.
+ Medics trained in mental health first aid.
+ An on-site social club was formed with several events and competitions organised throughout the year.



Material topic: Cultural Heritage

We consider our relationships with our Indigenous communities, the Nyiyaparli, Ngarlawangga and the Badimia people, to be of vital importance. We respect their connections to country and will seek to preserve and protect their cultural heritage. We believe that we can help safeguard these values and contribute to the long-term sustainability of our operations through careful management of the environment, the preservation of cultural sites and a positive and collaborative working relationship.

Australian regulations and laws also require us to engage with Aboriginal communities to identify cultural heritage sites prior to undertaking exploration and mining activities.

Heritage agreement with the Badimia people

We executed a Heritage agreement with representative corporations of the local Badimia people in June 2023 for the MGGP. The Badimia people are represented by the Badimia Land Aboriginal Corporation (BLAC) and the Badimia Bandi Barna Aboriginal Corporation (BBBAC). During FY22 and FY23, multiple heritage and ethnographic surveys have been carried out with Badimia knowledge holders. Key decisions and changes to the project layout have been made subsequent to these surveys and discussions.

Land access agreement with the Nyiyaparli people

In FY23, we were pleased to amend the Land access agreement with the Nyiyaparli people entered into in 2016 to include newly granted and acquired tenements for our KGP. The Nyiyaparli people hold native title over the area of the KGP. Heritage notices surveys, and consultation permission requests were completed to facilitate access for exploration activities during the year.

Cultural awareness & engagement

In addition, the following measures and programmes were implemented in FY23:

+ Cultural awareness programmes were conducted for all onsite staff at Karlawinda.
+ Annual meeting with Traditional owners.
+ Continuous engagement on heritage surveys.
+ As requested, heritage sites were kept confidential with no markings or identification.

Future focus

In FY24 we will provide cultural awareness training to new personnel onsite and will commence training at our MGGP as the project develops.

Material topic: Diversity & Equal Opportunity

We consider workforce diversity to include employees and contractors across gender, age, ethnicity and cultural background characteristics. We believe that it provides increased access to a broader talent pool of high quality employees, improves employee retention and enables the Company to draw on different perspectives and ideas. **Our general female participation rate is 27% of the total workforce, well above the mining industry average of 20%** (Workplace Gender Equality Agency Scorecard, 2021-22).

Diversity is governed through our Code of Conduct Policy, Diversity Policy, and Remuneration, & Nomination Diversity Charter. At the Board level, the Remuneration, Nomination and Diversity Committee reviews and recommends policies that will promote Board and workplace diversity committee and inclusion. **In FY24 we have appointed a female director to the Capricorn Board.**

Total workforce

Data Indicator	FY23
Total senior management employees	3
Total general employees	139
Total employees	142

Gender diversity snapshot

Total workforce by gender	
Total male	103
Total female	39
Senior management by gender	
Male	3
Female	0
Board team by gender	
Male	4
Female	0

Age diversity snapshot

General employees by age	
Under 30	28
30-50	98
Over 50	13
Senior management by age	
Under 30	0
30-50	0
Over 50	3
Board team by age	
Under 30	0
30-50	1
Over 50	3

GOVERNANCE

Material Topic: Business Ethics & Governance

Capricorn recognises that high standards of accountability and transparency have their foundation in a strong governance framework. We have a suite of governance policies and charters available on our website that sets out our approach to governance and business integrity. There were no governance or ethical breaches recorded in FY23.

Corporate governance structure

The Board, which meets on a regular basis, is responsible for corporate governance and risk management oversight, and delegates business strategy and executive decision-making to our senior management team. Executive responsibility lies with the Executive Chairman, who in turn, is accountable to the Board. There are clear lines of communication between the Executive Chairman and the Board. These roles are outlined in the Board Charter on our website, including those related to social and governance risk. The Company's Audit and Risk Management Committee is responsible for overseeing the management of sustainability risks, including environmental, social and governance risks.

While the Board has overall accountability for establishing and delivering an effective governance framework, all Capricorn employees share responsibility for upholding our corporate governance standards. These are outlined in our Corporate Code of Conduct Policy.

Legal and regulatory framework

The ASX Listing Rules and ASX Corporate Governance Principles require us to address significant corporate governance risk and report our progress. We are also subject to regulatory obligations under the Corporations Act 2001 (Cth).

Corporate Code of Conduct

Our Corporate Code of Conduct Policy, available on our website, outlines our commitment to integrity and fair dealing in our employment and business approach. It sets out the duty of care to our employees, contractors and other stakeholders and the standards and expectations of appropriate conduct in different contexts.

Anti-Bribery & Corruption

We do not tolerate bribery or corruption in any form. Our Anti-Bribery and Corruption Policy sets out our responsibilities to uphold our position on these matters and how to recognise and deal with any possible breaches and suspicious activity. The policy also provides strict guidelines with respect to financial benefits such as gifts, travel and hospitality.

Whistleblower

Directors, employees, contractors and suppliers of Capricorn are expected to act with honesty and integrity. Our Whistleblower Policy, available on our website, is the formal procedure which enables any person to raise concerns about reportable conduct.

Modern Slavery

Modern Slavery risks are overseen by the Company's Audit and Risk Management Committee. In FY23, we developed a Modern Slavery Statement to guide our principles and risks with respect to our business and supply chain. We consider that we have a relatively low risk of slavery in our supply chains as our business activities are based in Australia, which is not considered a high-risk jurisdiction for modern slavery. Although we retain some international subsidiaries, these only hold real estate and do not trade.

Memberships & Associations

Capricorn supports a thriving mining sector and ongoing professional development and networking opportunities. We participate in the following associations and networks: Association of Mining and Exploration Companies (AMEC), Chamber of Minerals and Energy (CME), Gold Industry Group and the Australian Resources & Energy Employer Association (AREEA).

Material Topic: Economic Performance

Delivering a strong economic performance creates shared and sustainable value for our stakeholders. We are focused on the efficient management of our business so we can continue to grow our operations, pay our obligations, reinvest assets and reward our shareholders.

Financial management

The Capricorn Board provides general financial performance oversight. Together with the Audit and Risk Management Committee, they receive regular risk management updates and periodically review the risk management framework. Our senior management team, led by the Executive Chairman, Chief Executive Officer and Chief Operating Officer, is responsible for day-to-day management of operations and administration.

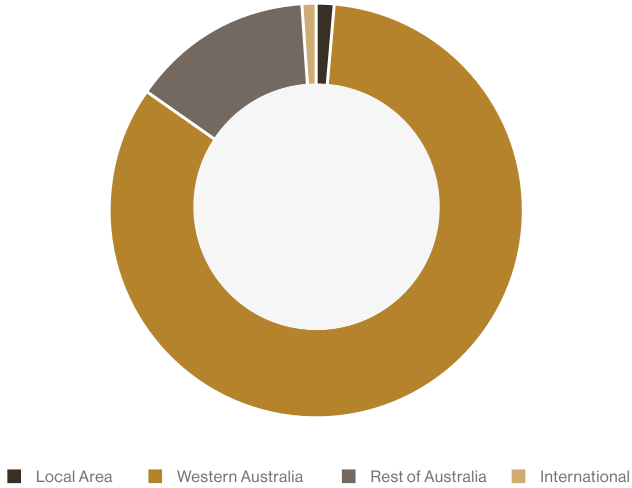
Economic contribution

Capricorn is committed to supporting the communities in which we operate and is a significant contributor to the Australian economy.

In FY23 Capricorn spent over $192 million in supplier payments, wages, royalties and taxes with over 99% of that expenditure within the Australian economy. Capricorn prides itself on providing significant support to local and regional suppliers with the bulk of the total expenditure within Western Australia.

Origin supplier costs		2023
Local area	$M	$3.1
Western Australia	$M	$159.6
Rest of Australia	$M	$27.5
International	$M	$2.1
Total	**$AUD**	**$192.3**

FY23 Capricorn spend by region



Tax transparency

We provide a transparent approach to tax and are fully compliant with all tax regulations. The authority for tax risk management lies with the Audit Committee and the Board, with responsibilities outlined in the Audit Committee Charter. An overview of the company's tax position for FY2023 can be found in this annual report.

Financial performance

+ Net cash position increased by $59.8m to $55.9m (FY22: net debt $3.9m) after payment of $36.8m to partially close-out hedge book (and buy gold put options) and $35.6m in exploration expenditure.
+ Increase in net cash position driven by record production at the KGP for FY23 of 120,014 ounces at an all-in-sustaining-cost (AISC) of $1,208 per ounce (FY22: 118,432 oz at $1,112/oz).
+ Record revenue of $320.8m from the sale of 120,320 ounces of gold at an average realised price of $2,665 per ounce.
+ Record EBITDA of $161.9m, compared with $153.9m in FY22.
+ Profit after tax before gold hedge closure cost and hedge accounting adjustments of $85.8m was in line with FY22 result of $89.5m.
+ Profit after tax, gold hedge closure cost and hedge accounting adjustments was $4.4m (FY22: $89.5m).

Please refer to our Annual Report for a full summary of our FY23 financials.

FY24 Future focus

In FY24, we aim to continue profitability and returns for our shareholders. We will continue to progress development at our MGGP and seek to obtain the necessary permits and approvals to commence construction of the project.

Capricorn expects to continue its strong operational performance at the KGP in FY24 with gold production guidance of 115,000 -125,000 ounces at an AISC range of $1,270 - $1,370 per ounce and growth capital of $10-20 million.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The Directors submit the financial report of the Consolidated Group ("the Group" or "Capricorn"), consisting of Capricorn Metals Ltd (referred to in these financial statements as "Parent" or "Company") and its wholly owned subsidiaries for the year ended 30 June 2023 and the audit report thereon, made in accordance with a resolution of the Board.

Directors

The Directors of the Company who held office since 1 July 2022 and up to the date of this report are set out below. Directors were in office for the entire year unless stated otherwise.

Mr Mark Clark
B.Bus, CA
Executive Chairman
Appointed 8 July 2019

Mr Clark has over 30 years' experience in corporate advisory and public company management.

He was a director of successful Australian gold miner Equigold NL ("Equigold") from April 2003 and was Managing Director from December 2005 until Equigold's $1.2 billion merger with Lihir Gold Ltd in June 2008. Equigold successfully developed and operated gold mines in both Australia and Ivory Coast.

Mr Clark also served as Managing Director of Regis Resources Limited ("Regis") from May 2009 until November 2016 when he was appointed Executive Chairman. He retired as a director of Regis in October 2018. Mr Clark oversaw the development of Regis' three operating gold mines at the Duketon Gold Project, which culminated in the project producing well over 300,000 ounces of gold per annum.

Mr Clark joined Capricorn Metals in July 2019 and has overseen the successful development and commissioning of the Karlawinda Gold Project and the acquisition of the Mt Gibson Gold Project.

Mr Clark is a member of the Chartered Accountants Australia and New Zealand.

Mr Clark is not an independent director.

During the past three years Mr Clark has not held any other listed company directorships.

Mr Mark Okeby *LLM*
Non-Executive Director
Appointed 8 July 2019

Mr Okeby began his career in the resources industry in the 1980's as a corporate lawyer advising companies on resource project acquisitions, financing, and development. He has a Masters of Law (LLM) and over 30 years' experience as a director of ASX listed mining and exploration companies.

Mr Okeby is currently a director of Red Hill Iron Limited (appointed in 2015) and is also Non-executive Chairman of Peel Mining Limited (appointed in 2022). Previously Mr Okeby has been a director of Hill 50 Ltd, Abelle Limited, Metals X Limited, Westgold Resources Limited, Lynas Corporation Ltd and Regis Resources Limited.

Mr Okeby is an independent director.

During the past three years Mr Okeby has held the following other listed company directorships:

- Chairman of Peel Mining Limited (appointed 3 March 2022)
- Non-Executive Director of Red Hill Iron Limited (August 2015 to present)

Mr Myles Ertzen
B.Sc Grad Dip App Fin
Non-Executive Director
Appointed 13 September 2019

Mr Ertzen was from 2009 until December 2018 a senior executive at Regis Resources Limited having held project and business development roles, culminating in the role of Executive General Manager – Growth, from which he resigned in December 2018.

Prior to Regis, Myles held a number of senior operations roles for gold mining and development companies and has significant experience in the permitting, development and operations of gold projects in Western Australia. Myles has various regulatory and technical qualifications in mining, management and finance.

Mr Ertzen is an independent director.

During the past three years Mr Ertzen has not held any other listed company directorships.

Mr Bernard De Araugo *B.App.Sc (Metallurgy)* Non-Executive Director Appointed 26 May 2021	Mr De Araugo is a qualified metallurgist with over 30 years' experience in mining and processing including senior management and technical roles at several gold mining operations in Australia and overseas. He has held senior leadership roles across a range of business disciplines including operations, commercial management and technical functions at Orica Mining Services and leading processing consumables supplier Donhad Pty Ltd where he was an Executive Director for over 12 years. Mr De Araugo is an independent director. During the past three years Mr De Araugo has not held any other listed company directorships.

Company Secretary

The Company Secretary of the Company during the year and up to the date of this report is set out below.

Mr Kim Massey *B.Com, CA* Company Secretary Appointed 4 March 2021	Mr Kim Massey was appointed as Company Secretary on 4 March 2021. Mr Massey is a Chartered Accountant with significant experience in financial management and corporate advisory services, particularly in the resources sector, as a corporate advisor and company secretary for a number of ASX and AIM listed companies.

Committee membership

At the date of this report, the Company had an Audit and Risk Management Committee, and a Remuneration, Nomination and Diversity Committee. Mr Okeby is the chairman of both Committees. The directors acting on the Committee's during the year were:

Director	Audit and Risk Management Committee	Remuneration, Nomination and Diversity Committee
M Okeby	✓	✓
M Ertzen	✓	✓
B De Araugo	✓	✓

Directors' meetings

The number of Board and Committee meetings held and attended by directors during the year were as follows:

Director	Board		Audit & Risk management		Remuneration, Nomination and Diversity	
	No. held	No. attended	No. held	No. attended	No. held	No. attended
M Clark	9	9	-	-	-	-
M Okeby	9	9	5	5	3	3
M Ertzen	9	9	5	5	3	3
B De Araugo	9	9	5	5	3	3

Principal Activities

The principal activities of Capricorn during the financial year were:

- exploration, evaluation, development and production at the Karlawinda Gold Project ("KGP");
- and exploration and evaluation of the Mt Gibson Gold Project ("MGGP").

Strategy/Objectives

The Group's strategy is to be a profitable mid-tier gold company that delivers superior returns to shareholders over the long term.

The focus of the Company during the year was the operation of the Karlawinda Gold Project. In addition, the Company actively pursued its strategy of developing into a multi operational gold company undertaking an extensive resource drilling programme at the MGGP culminating in a maiden ore reserve estimate and prefeasibility study released in April 2023.

The Company's objectives are to:

- Continue operations at KGP by mining and processing ore safely and responsibly;
- Organically increase the reserves and resources of the Company through systematic exploration activity across the KGP tenement package;
- Continue the technical, environmental and other studies required to advance the permitting and development of the MGGP in due course; and
- Actively pursue inorganic growth opportunities.

Operating and Financial Review

Overview

Capricorn Metals Ltd is an Australian based gold producer and exploration company with two distinct project areas located in Western Australia.

The KGP is located 65 kilometres south-east of Newman in the Pilbara region of Western Australia. The KGP commenced operations in June 2021 and has a 10-year mine life on current reserves. The KGP completed its second full year of operations producing 120,014 ounces of gold at all-in-sustaining-costs ("AISC") of $1,208 per ounce.

The Company's second project is the MGGP, located in the Mid-West region of Western Australia, 280 kilometres north-east of Perth. Capricorn acquired the MGGP in July 2021 at an acquisition cost of $39.6 million and a 1% net smelter royalty on all minerals produced from the project including gold production in excess of 90,000 ounces. The Company continued an extensive resource drilling programme at MGGP during the year and announced a maiden ore reserve estimate of 1.45 million ounces in April 2023 together with the results of a prefeasibility study.

Financial summary

Key financial data	2023 $'000	2022 $'000	Change $'000	Change %
Sales revenue	320,840	287,043	33,797	12
Cost of sales (excluding D&A) [1]	(146,429)	(118,975)	(27,454)	23
Other income	34	229	(195)	(85)
Corporate, admin and other costs	(12,520)	(14,363)	1,843	(13)
EBITDA [1]	**161,925**	**153,934**	**7,991**	**5**
Depreciation & amortisation (D&A)	(27,510)	(31,665)	4,155	(13)
Net finance costs	(125,249)	(11,363)	(113,886)	1,002
Profit before tax	**9,166**	**110,906**	**(101,740)**	**(92)**
Income tax expense	(4,767)	(21,423)	16,656	(78)
Profit/(loss) after tax	**4,399**	**89,483**	**(85,084)**	**(95)**
Cashflow from operating activities	152,560	134,657	17,903	13
Cash and cash equivalents	106,471	61,502	44,969	73
Borrowings	(50,613)	(65,386)	14,773	(23)
Net cash/(debt)	55,858	(3,884)	59,742	(1,538)
Net assets	256,537	247,535	9,002	4
Basic earnings per share (cents per share)	1.18	24.27	(23.09)	(95)

1 EBITDA is an adjusted measure of earnings before interest (finance income/(expenses)), taxes, depreciation and amortisation. Cost of sales (excluding D&A) and EBITDA are non-IFRS financial information and are not subject to audit. These measures are included to assist investors to better understand the performance of the business.

Capricorn achieved a net profit after tax of $4.4 million for the full year to 30 June 2023, down from $89.5 million in the previous year, primarily due to one-off finance costs associated with the restructuring of gold forward contracts (see "Net finance costs" below).

EBITDA increased 5% to $161.9 million for the full year to 30 June 2023 as higher gold sales revenue offset increases in operating and overhead costs.

Performance summary

Sales

Gold revenue for the financial year was $320.8 million from the sale of 120,320 ounces of gold at an average realised price of $2,665 per ounce (2022: $287.0 million from 116,122 ounces at $2,471 per ounce).

During the year Capricorn delivered 16,947 ounces of gold into forward contracts at an average delivery price of $2,277 per ounce (2022: 35,053 at $2,247) and sold 103,373 ounces of gold at spot prices averaging $2,728 per ounce (2022: 81,069 ounces at $2,568).

As at 30 June 2023, Capricorn's gold forwards hedging programme totalled 107,000 ounces of flat forward contracts at an average delivery price of $2,327 per ounce.

The Company has no gold hedging delivery obligations until 30 September 2024.

Cost of sales

Cost of sales, excluding depreciation and amortisation, for the year increased 23% to $146.4 million from the previous year mainly due to increased mining volumes at the KGP and the effect of industry wide cost pressures.

Net finance costs

Net finance costs have increased by $113.9 million to $125.2 million from the previous year due to the effect of restructuring the Group's gold forward contracts.

In June 2023, the Company announced that it had reduced its gold forward contracts by 51,000 ounces to provide further exposure to any increase in the A$ gold price. The closure of the gold forwards means the Company does not have any hedging delivery obligations until September 2024.

The cost of reducing the hedge book was $33.1 million in cash and an $83.2 million in non-cash expense relating to the recognition of the fair value of the remaining gold forward contracts through the profit and loss, as the Company is no longer able to apply the "Own use" exemption to account for the remaining flat forward contracts.

The restructure of the gold forwards has led to a change in the accounting for the remaining gold forwards and are now valued through the profit and loss. These contracts previously qualified as future inventory sales contracts with the sales value recognised as revenue at the time of sale, also known as the "own use" exemption.

Cashflow

Statutory operating cash flow for the year was $152.6 million which delivered a $45 million increase (to $106.5 million) in cash and cash equivalents for the year. Key cash flow movements for the year included:

- Net cash inflow from operations (excluding interest paid) of $158.8 million
- Payments for the partial closure of the gold forwards hedge book and purchase of gold put options of $36.8 million
- $35.6 million on exploration activities at KGP and MGGP
- $15.0 million repayment of debt to Macquarie Bank Ltd

Net cash/(debt)

The Company had net cash of $56m at the end of the financial year (2022: Net debt of $3.9m) an increase of $59.7m from the prior year.

The Company had outstanding debt at the end of the financial year of $50 million (2022: $65 million) after repaying $15 million during the year. In July 2022, Macquarie Bank agreed to convert the $50 million outstanding debt to a general-purpose corporate loan facility with a single bullet repayment in June 2025.

Project summary

Karlawinda Gold Project

Operations

Operating results for the 2023 financial year were as follows:

	Unit	30 June 2023	30 June 2022
Ore mined	BCM ('000)	2,443	**2,790**
Waste mined	BCM ('000)	10,129	8,954
Stripping ratio	w:o	4.15	3.21
Ore mined	Tonnes ('000)	5,807	5,940
Ore milled	Tonnes ('000)	4,219	4,450
Head grade	g/t	0.96	0.89
Recovery	%	93	94
Gold production	Ounces	120,014	118,432
Cash cost [2]	A$/oz	$1,038	$952
Cash cost inc. royalties	A$/oz	$1,186	$1,073
All-in-sustaining-cost [2]	A$/oz	$1,208	$1,112

2 Cash cost and all-in sustaining costs ("AISC") are non-IFRS financial information and not subject to audit. These are comparable measures commonly used in the mining industry and in particular the gold mining industry. The Company calculates cash costs and AISC on a per ounce production basis.

KGP produced 120,014 ounces from its second year of operation achieving above the mid-point of the annual production guidance range of 115,000 – 125,000 ounces. All-in-sustaining-costs ("AISC") for the financial year was $1,208 per ounce which was at the lower end of the AISC guidance range for the year of $1,160 - $1,260 per ounce.

It was with great sadness that a significant incident occurred in October 2022 at the KGP that tragically claimed the life of an employee of mining contractor MACA. The safety and wellbeing of all employees and contractors of the Company remain our highest priority and our thoughts and condolences remain with the MACA employee's family, friends and colleagues.

A total of 12.6 million BCM of material was mined from the Bibra open pit during the year at a waste-to-ore strip ratio of 4.1. Mining focussed on delivering ore to the ROM primarily from Stage 3 of the open pit and mining waste to open up ore zones in stage 2 and 3 of the open pit.

The processing plant performed well during the year with steady production and ongoing optimisation. Mill feed during the year was initially a blend of laterite and oxide ore with a small proportion of transitional ore, leading into a combination of fresh and transitional ore over the second half of the financial year.

Capricorn expects to continue its strong operational performance in FY24 with gold production guidance of 115,000 – 125,000 ounces at an AISC range of $1,270 - $1,370 per ounce and growth capital of $10-20 million.

Exploration

Capricorn wholly owns a 2,052 square kilometre tenement package at KGP which includes the greenstone belt hosting the Bibra gold deposit and other significant greenstone areas.

The Pilbara region of Western Australia has not had a significant historical exploration focus on gold and as a result very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit, the focus of current mining operations.

During the year a total of 1,020 holes for 73,335 metres were drilled across the KGP tenement package.

Multiple near mine and regional exploration projects were advanced during the year focussing on areas situated proximal to either the Nanjilgardy Fault or the Sylvania Inlier and Pilbara Craton margin (refer Figure 1 below). First pass drilling programmes were completed at near mine targets including Muirfield, Carnoustie, Vedas and Berwick with encouraging results received.

Follow up near mine drilling programmes will continue in FY24.

First pass regional drilling programmes are expected to commence in FY24 as areas were cleared for heritage in FY23. Drilling is planned at Carrot Hill, Domomore, Jamie Well and Mumbakine Well in FY24.

Reserves & Resources

In June 2023 the company announced an annual resource and reserve update for KGP.

The updated KGP Ore Reserve Estimate ("ORE") of 1,247,000 ounces (2022: 1.34 million ounces) is an increase of 5,000 ounces after accounting for mining depletion in the nine months to 31 March 2023.

The updated Mineral Resource Estimate ("MRE") is 2,228,000 ounces (2022: 2.29 million ounces) is an increase of 40,000 ounces after accounting for mining depletion in the nine months to 31 March 2023.

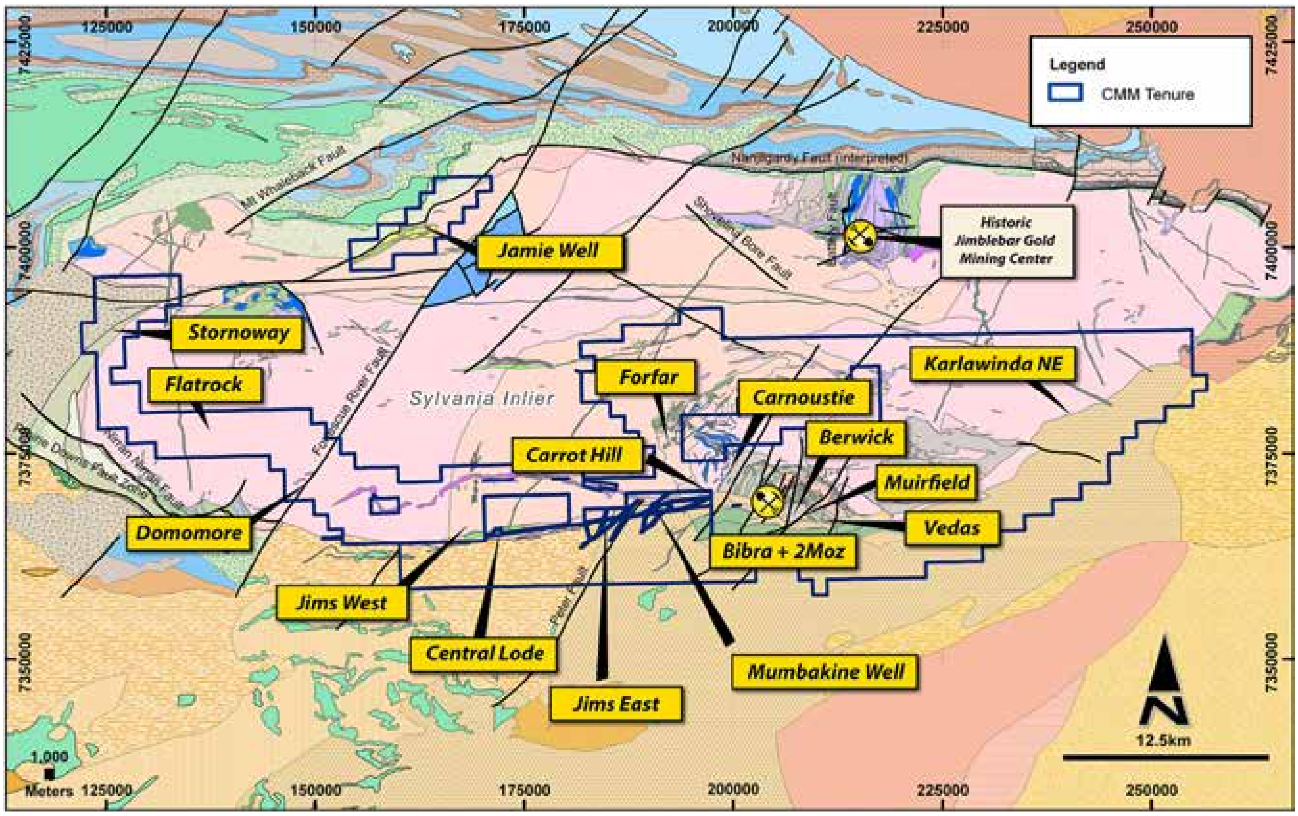


Figure 1: Karlawinda Gold Project exploration targets

Mt Gibson Gold Project

In July 2021 Capricorn announced the acquisition of the MGGP located approximately 280 kilometres northeast of Perth in the Mid-West region of WA. At the time of acquisition the project had a JORC 2012 compliant Inferred MRE of 2,083,000 ounces of gold.

In April 2023 the Company announced a maiden ORE and the results of a prefeasibility study for the MGGP. The maiden MGGP JORC 2012 compliant ORE is 48.7 million tonnes @ 0.9g/t Au for 1.45 million ounces. This ORE is based on a MRE of 104.9 million tonnes @ 0.8g/t Au for 2.76 million ounces. The ORE was estimated using a A$1,900 per ounce gold price with the reserve pits having a shallow average depth of 140 metres, down to a maximum depth of 240 metres and an operating strip ratio of 4.2.

The maiden ORE was the culmination of an extensional and infill resource drilling programme that commenced in January 2022 and continued during the 2023 financial year. A total of 163,944 metres (1,078 holes) of RC drilling has been completed at the project to date with results received indicating mineralisation remains open down dip and along strike to the north and south.

Continued resource extension and near mine exploration drilling will continue in FY24 in parallel with permitting and development work with a view to increasing reserves given the shallow depth of the reserve pits and significant untested strike north of the current resources.

The results of the prefeasibility study completed indicate the MGGP as a robust, large scale open pit gold mine with gold production averaging 152,000 ounces per annum over the project's first 7.5 years. Production is expected to be 1.34 million ounces over a 10-year mine life with average annual production of 138,000 ounces per annum at AISC's of $1,529 per ounce.

The project represents a strong economic proposition for the Company and is expected to generate over $1.5 billion in operating cashflow over a 10 year mine life with revenues in excess of $3.6 billion at a forecast gold price of $2,750 per ounce.

On the basis of the strong Pre-feasibility results the Board has given approval to:

- Complete project optimisation to feasibility study level;
- Complete remaining work streams to level required to support submission of relevant applications; and
- Commence long lead purchasing where advantageous to do so.

Material business risks

The material business risks of the Company include:

- *Gold price and foreign exchange currency*: The Company is exposed to fluctuations in the Australian dollar gold price which can impact on revenue streams from operations. To mitigate downside in the gold price, the Board has implemented a hedging program to assist in offsetting variations in the Australian dollar gold price. This involves forward contracts as well as call and put options.

- *Reserves and Resources*: The Mineral Resource Estimates and Ore Reserve Estimates for the Company's assets are estimates only and no assurance can be given that they will be realised. The estimates are determined in accordance with JORC and compiled or reviewed by a qualified competent person.

- *Government regulation*: The Company's mining, processing, development and exploration activities are subject to various laws and statutory regulations governing prospecting, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land claims of local people and other matters.

  No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the group's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration, or more stringent implementation thereof, could have a material adverse impact on the Company.

- *Operating risk*: The Company's gold mining operations are subject to operating risks that could result in decreased production, increased costs & reduced revenues. To manage this risk the Company seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved.

- *Exploration and development risk*: An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of the group's exploration activities and development projects, and the expansion of existing mining operations. The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored subsequently have economic deposits of gold identified, and even fewer are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

- *Climate Change*: Capricorn acknowledges that climate change effects have the potential to impact our business. The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. The group is committed to understanding and proactively managing the impact of climate related risks to our business. This includes integrating climate related risks, as well as energy considerations, into our strategic planning and decision making.

- *Environmental*: The Company has environmental liabilities associated with its tenements which arise as a consequence of mining operations, including waste management, tailings management, chemical management, water management and energy efficiency. The Company monitors its ongoing environmental obligations and risks, and implements rehabilitation and corrective actions as appropriate, through compliance with its environmental management system.

- *People risks*: The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training and emergency preparedness.

Significant changes in state of affairs

Other than as set out below and elsewhere in the report, there were no significant changes in the state of affairs.

Dividends paid or recommended

No dividends were paid or recommended to be paid during the financial year (2022: Nil).

Subsequent events

There were no material events arising subsequent to 30 June 2023, to the date of this report which may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in the future.

Likely developments

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Subsequent events sections of the Directors' Report.

Environmental issues

Mining and exploration operations in Australia are subject to environmental regulation under the laws of the Commonwealth and the State of Western Australia. The Group holds various environmental licences issued under these laws, to regulate its mining and exploration activities. The Group's current activities generally involve disturbance associated with mining activities and exploration drilling programmes in Australia.

All environmental performance obligations are subjected from time to time to Government agency audits and site inspections. The Company is not aware of any material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

Directors' interests

As at the date of this report, the interests of the Directors in shares and options of the Company are set out in the table below:

Director	Number of shares	Number of unquoted rights
M Clark	22,172,000	120,000
M Okeby	6,615,385	-
M Ertzen	3,611,539	-
B De Araugo	74,550	-

Share options

Unissued shares

At the date of this report, the Company had no unissued shares under listed and unlisted options.

Shares issued on exercise of options

The Company had no shares issued under options for the year.

Performance rights

Unissued shares

At the date of this report, the Company had the following unissued shares under unvested performance rights.

Vesting date	Number outstanding
30 September 2023	112,500
18 January 2024	100,000
29 March 2024	100,000
4 October 2023	259,909
10 December 2023	525,000
10 December 2024	645,707
4 October 2024	139,909
10 December 2025	80,707

Performance rights holders do not have any right, by virtue of the performance rights to participate in any share issue of the Company or any related body corporate.

Details of performance rights granted to directors and other key management personnel during the year are set out in the remuneration report.

Indemnification and insurance of directors and officers

The Company has established an insurance policy insuring Directors and officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to insurers will not be disclosed. This is permitted under s300(9) of the Corporation Act 2001.

No indemnity has been obtained for the auditor of the Group.

Auditor independence and non-audit services

No fees were paid or payable to KPMG Australia for non-audit services during the year ended 30 June 2023 (2022: Nil).

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 for the year ended 30 June 2023 is attached to the Directors' Report.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Remuneration report (Audited)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The report details the nature and amount of remuneration for each Key Management Personnel ("KMP") of Capricorn Metals Ltd who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

For the purpose of this report, the term "executive" includes the Executive Chairman, senior executives and company secretaries of the Parent and the Group.

Remuneration principles

The Remuneration, Nomination and Diversity Committee ("RNDC") was appointed in June 2021 following the rapid growth of the Group. The RNDC is responsible for formulating the Group's remuneration policy, setting each Director's remuneration and reviewing the Executive Chairman's remuneration recommendations for KMPs to ensure compliance with the remuneration Policy and consistency across the Group. Recommendations of the RNDC are put to the Board for approval.

In determining KMP remuneration the Board aims to ensure remuneration levels are set that attract, retain and incentivise executives and directors that are appropriately qualified and of a high calibre. Executives are rewarded with a level and mix of remuneration appropriate to their position, responsibilities and performance in a way that aligns with the Group's business strategy. For the 2023 financial year the Company has implemented an Executive Remuneration Incentive Plan for Executives which sets out the performance hurdles for both Short Term Incentives ("STI") and Long Term Incentives ("LTI").

The objectives and principles of the Company's remuneration policy include:

- To align the objectives of the KMP's with the Company's strategic and business objectives and the creation of shareholder value;
- To provide competitive and reasonable remuneration to attract and retain high calibre talent;
- To provide remuneration that is transparent, easily understood and acceptable to shareholders; and
- To provide remuneration that is structured to have a suitable mix of fixed remuneration and at-risk performance based elements using appropriate STI and LTI components.

Executive remuneration levels are reviewed annually by the RNDC to ensure alignment to the market and the Company's objectives.

The Company's remuneration policy provides for a combination of fixed and variable pay with the following components:

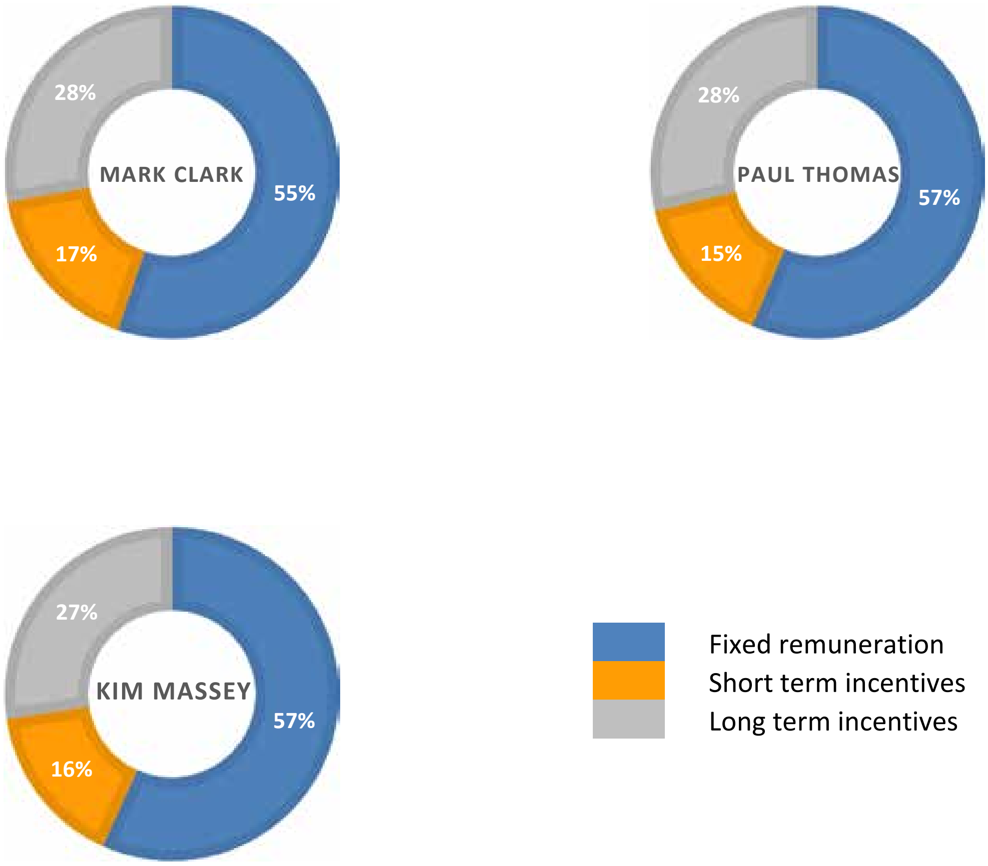
- Fixed remuneration in the form of base salary, superannuation and benefits; and
- Variable remuneration in the form of STI's and LTI's.

The table below provides a summary of the structure of executive remuneration:

Fixed Remuneration
- Base salary
- Superannuation
- Other benefits

Variable Remuneration
- STI (cash bonuses)
- LTI (performance rights)

The relative proportion of target FY23 total remuneration packages split between the fixed and variable remuneration for the executives is shown below:



Elements of Remuneration

Fixed remuneration

Fixed remuneration consists of base remuneration (including fringe benefits tax charges related to employee benefits), as well as employer contributions to superannuation funds and salary sacrifice superannuation contributions.

Remuneration levels are reviewed annually by the RNDC through a process that considers market conditions, individual performance and the overall performance of the Group. Industry remuneration surveys and data are utilised to assist in this process as well as benchmarking against ASX listed companies within the gold mining sector.

At the end of the 2023 financial year, executive annual base salaries were:

- Mark Clark $900,000
- Paul Thomas $700,000
- Kim Massey $600,000

Short term incentives

Under the STI plan, all executives have the opportunity to earn an annual incentive which is delivered in cash if certain financial and non-financial key performance indicators ('KPI's') are met. The STI recognises and rewards annual performance and links the achievement of key short term Company targets with the remuneration received by those executives charged with meeting those targets. STI awards are capped at 100% of the target opportunity which in FY23 was 40% of the fixed remuneration of the executive.

Each year the RNDC set KPI targets for executives. For FY23 the KPI's included:

- operating targets including gold production and AISC measured against budgets;
- safety, environmental and heritage targets measured against internal objectives;
- additions to Company ore reserves net of mining depletion; and
- company performance measured as Total Shareholder Returns ('TSR') versus a comparator peer group of companies.

A summary of the KPI targets set for FY23 and their respective weightings and achievements are as follows:

Key Performance Indicator	Weighting	Measure	% of KPI achieved	Award
Production	25%	Gold production in line or greater than budget	60%	15%
Costs	25%	AISC in line or less than budget	60%	15%
Safety, environment & heritage	10%	Safety, environment and heritage internal targets	0%	0%
Reserve growth	15%	Addition to the Company's reserve base net of depletion through mining	100%	15%
Company performance	25%	TSR performance against comparator group	100%	25%
Total	100%			70%

In assessing the achievement of the KPI's the Committee made the following assessments:

Production – annual gold production of 120,014 ounces was in line with FY23 budgeted production and the base reward of 15% was awarded;

Costs – AISC's of $1,208 per ounce achieved was in line with FY23 budgeted AISC's and the base reward of 15% was awarded;

Safety, environment & heritage – Reflecting the Company's commitment to high standards of safety, environmental performance and heritage obligations, awards were only given if stretch targets were attained. The performance was impacted by a fatality at Karlawinda in October 2022, and subsequently, the metric was not achieved.

Reserve growth – The Company's reserves increased by 66% with the addition of the Mt Gibson maiden reserve. The stretch target was achieved and a 15% weighting was awarded.

Company performance – The Company achieved a total shareholder return of 29% for the 12 months to 30 June 2023 which was at the upper end of the comparator group. Accordingly, the stretch target was achieved and a 25% weighting was awarded.

Based on the above assessment, 70% of the target opportunity of 40% of fixed remuneration was achieved with the following STI payments made to executives for FY23:

Executive	Maximum STI opportunity	% KPI achieved	STI awarded	STI awarded
Mark Clark	40% of TFR	70%	28% of TFR	$252,000
Paul Thomas	40% of TFR	70%	28% of TFR	$196,000
Kim Massey	40% of TFR	70%	28% of TFR	$168,000

Long term incentives

The Board has established the Employee Incentive Plan ("Incentive Plan") as a means for motivating senior employees to pursue the long-term growth and success of the Group. LTI's are provided to executives under the Capricorn Performance Rights Plan. Executives are eligible to receive performance rights (being entitlements to shares in Capricorn subject to satisfaction of vesting conditions) as long-term incentives as determined by the Board in accordance with the terms and conditions of the plan.

In the 2023 financial year, under the Performance Rights Plan, the number of rights granted to executives range from 50% to 70% of the executives fixed remuneration and is dependent on the individual's skills, responsibilities and ability to influence financial or other key objectives of the Company. The number of rights granted is calculated by dividing the LTI remuneration dollar amount by the Capricorn share price on the date of the grant.

The performance rights issued in FY23 were subject to one performance hurdle being total shareholder return ("TSR") measured against a benchmark peer group.

The following companies were identified by Capricorn to comprise the peer group for LTI purposes from 1 July 2022:

	Peer Group	
Regis Resources Limited	Dacian Gold Limited	Red 5 Limited
Silver Lake Resources Ltd	St Barbara Limited	Aurelia Metals Limited
Westgold Resources Limited	Pantoro Limited	Alkane Resources Limited
OceanaGold Corporation	Evolution Mining Limited	Northern Star Resources Limited
Perseus Mining Limited	De Grey Mining Limited	Resolute Mining Limited
Gold Road Resources Limited	Bellevue Gold Limited	

This provides a broad and representative comparative peer group for Australian investors. The peer group will be adjusted if members are delisted (for reasons other than financial failure) or a company merges with or is acquired by another company in the peer group - in which case the resulting company remains in the peer group and the acquired company is removed. The Board has the discretion to adjust the peer group in other circumstances.

The proportion of executive rights that vest is dependent on how Capricorn's TSR compares to the peer group as follows:

Relative TSR for Measurement Period	Proportion of Performance Rights that will vest
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and 75th percentile	Pro-rata between 50% and 100%
At and above the 75th percentile	100%

The measurement period for:

- 50% of the performance rights is the 24-month period commencing on 1 July 2022 and ending on 30 June 2024 (Tranche 1); and
- The other 50% of the performance rights is the 36-month period commencing on 1 July 2022 and ending on 30 June 2025 (Tranche 2).

The following executives were awarded LTI's during the reporting period:

Executive	Maximum LTI Opportunity	Number of performance rights granted during FY23
Mark Clark	70%	161,414
Paul Thomas	60%	127,712
Kim Massey	50%	88,688

Shareholders approved the issue of performance rights to Mr Clark at the Company AGM in November 2022.

Performance rights that were granted to KMPs as compensation during the current and previous years and which have vested during or remain outstanding at the end of the year are provided as follows:

KMP	Incentives	No. of rights	Grant date	FV at grant date	Test date	% Vested during the year	% forfeited during the year
M Clark	TSR	120,000	24/11/2021	$2.042	4/10/2022	100%	0%
	TSR	120,000	24/11/2021	$2.042	4/10/2023	0%	0%
	TSR	80,707	29/11/2022	$3.197	30/06/2024	0%	0%
	TSR	80,707	29/11/2022	$3.297	30/06/2025	0%	0%
K Massey	3 yrs service	1,000,000	17/12/2019	$1.180	17/9/2022	100%	0%
	TSR	57,340	4/10/2021	$1.780	30/6/2023	0%	0%
	TSR	57,340	4/10/2021	$1.872	30/6/2024	0%	0%
	TSR	44,344	19/6/2023	$2.562	30/6/2024	0%	0%
	TSR	44,344	19/6/2023	$2.867	30/6/2025	0%	0%
P Thomas	3 yrs service	1,000,000	17/12/2019	$1.180	17/9/2022	100%	0%
	TSR	82,569	4/10/2021	$1.780	30/6/2023	0%	0%
	TSR	82,569	4/10/2021	$1.872	30/6/2024	0%	0%
	TSR	63,856	19/6/2023	$2.562	30/6/2024	0%	0%
	TSR	63,856	19/6/2023	$2.867	30/6/2025	0%	0%
		2,897,632					

The value of rights granted during the year is the fair value of the rights calculated at grant date. The total value of the rights granted during the year is $1,111,529. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2022 to 30 June 2025).

The total performance rights expense recognised for KMP during the year is $1,050,100.

There were 2,000,000 performance rights with a grant date 17 December 2019 that vested and were exercised during the year. There were 120,000 performance rights with a grant date 24 November 2021 that vested and were exercised during the year.

The remaining performance rights granted on 17 December 2019, have a three-year performance period which ends on 17 September 2022. For performance rights granted on 4 October 2021, 50% of the rights have a performance period of two years which ends on 30 June 2023 and the remaining balance ends on 30 June 2024.

In relation to the performance rights issued on 24 November 2021 50% of the rights have a performance period of one year which ends on 4 October 2022 and the remaining balance ends on 4 October 2023.

In relation to the performance rights issued on 29 November 2022 50% of the rights have a performance period of two years which ends on 30 June 2024 and the remaining balance ends on 30 June 2025.

In relation to the performance rights issued on 19 June 2023 50% of the rights have a performance period of two years which ends on 30 June 2024 and the remaining balance ends on 30 June 2025.

Options

There were no options granted to KMP's during the current year.

There were no movements in options during the year.

Movements in rights over equity instruments

The movement during the reporting period in the number of performance rights over ordinary shares in the Company held, directly, indirectly or beneficially, by KMP, including their related parties is as follows:

	Held as at 1 July 2022	Granted as remuneration	Exercised	Net change other (1)	Held as at 30 June 2023	Total vested	Exercisable	Not exercisable
Rights								
M Clark	240,000	161,414	(120,000)	-	281,414	-	-	281,414
K Massey	1,114,680	88,688	(1,000,000)	(88,688)	114,680	-	-	114,680
P Thomas	1,165,138	127,712	(1,000,000)	(127,712)	165,138	-	-	165,138
Total	2,519,818	377,814	(2,120,000)	(216,400)	561,232	-	-	561,232

Unvested rights are forfeited immediately on cessation of employment.

Vested rights lapse 30 days after the cessation of employment if the options have not been exercised prior.

(1) Net change other refers to rights granted but not issued.

Non-executive directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2022 Annual General Meeting, is not to exceed $600,000 per annum. Directors' fees cover all main Board activities and committee memberships. The base fee for a Non-Executive Director is $120,000 per annum excluding superannuation. An additional amount of $15,000 is also paid to the Chairman of each of the Remuneration and Audit Committees. From time to time, Non-Executive Directors may provide additional services to the Company and in these cases, they are paid fees in line with industry rates.

Key management personnel

The following table outlines the movements in KMP during the year ended 30 June 2023.

Name	Position	Term as KMP
Mr Mark Okeby	Non-Executive Director	Full Year
Mr Myles Ertzen	Non-Executive Director	Full Year
Mr Bernard De Araugo	Non-Executive Director	Full Year
Mr Mark Clark	Executive Director	Full Year
Mr Kim Massey	Chief Executive Officer & Company Secretary	Full Year
Mr Paul Thomas	Chief Operating Officer	Full Year

The following table outlines the termination provisions for each current KMP:

	Notice period	Payment in lieu of notice	Entitlement to options and rights on termination
Mark Clark, *Executive Director*			
Notice Period by Capricorn:			
- With or without reason	2 months	Up to 2 months	(1)
- Serious misconduct	Nil	Nil	
Notice Period by Executive:	2 months	Up to 2 months	As above
Fundamental change:	n/a	n/a	n/a
Kim Massey, *Chief Executive Officer*			
Notice Period by Capricorn:			
- With or without reason	6 months	Up to 6 months	(1)
- Serious misconduct	Nil	Nil	
Notice Period by Executive:	3 months	3 months	As above
Fundamental change:	1 month	12 months	n/a
Paul Thomas, *Chief Operating Officer*			
Notice Period by Capricorn:			
- With or without reason:	6 months	Up to 6 months	(1)
- Serious misconduct:	Nil	Nil	
Notice Period by Executive:	3 months	3 months	As above
Fundamental change:	1 month	12 months	n/a

(1) Due to resignation or termination for cause, any unvested rights and options will automatically lapse on the date of the cessation of employment. For those performance rights or options that have vested, they lapse one (1) month after cessation of employment. These terms can be extended at the Board's discretion.

Remuneration for Key management personnel of the Group during the year ended 30 June 2023

	Short term benefits			Post-employment benefits	Long-term benefits	Share-based payments			
FY2023	Salary and Fees	Other ^	Non-Cash Benefits*	Superannuation	Accrued annual & long service leave #	Options & Rights	Termination Payments	Total	Performance Related
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
M Okeby	150,000	-	-	17,125	-	-	-	167,125	-
M Ertzen	120,000	-	-	13,700	-	-	-	133,700	-
B De Araugo	120,000	-	-	13,700	-	-	-	133,700	-
Executive Directors									
M Clark (1)	713,875	252,000	4,295	27,500	74,832	413,090	-	1,485,592	44.77%
Other Executives									
K Massey (1)	534,250	168,000	4,295	27,500	36,296	277,796	-	1,048,137	42.53%
P Thomas (1)	644,750	196,000	4,295	27,500	64,147	359,214	-	1,295,906	42.84%
	2,282,875	616,000	12,885	127,025	175,275	1,050,100	-	4,264,160	

^ Other short term benefits refer to a cash bonus paid to KMP for meeting STI targets.
* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Company.
# Long term benefits for accrued annual and long service leave are the movements in the provision, net of any leave taken.
(1) Mr Clark, Mr Massey and Mr Thomas elected to receive a portion of their superannuation entitlements above the statutorily required maximum amount as salary.

Remuneration for Key management personnel of the Group during the year ended 30 June 2022

	Short term benefits			Post-employment benefits	Long-term benefits	Share-based payments			
FY2022	Salary and Fees	Other ^	Non-Cash Benefits*	Superannuation	Accrued annual & long service leave #	Options & Rights	Termination Payments	Salary and Fees	Performance Related
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
M Okeby	137,500	-	-	13,937	-	-	-	151,437	-
M Ertzen	115,000	-	-	11,575	-	-	-	126,575	-
B De Araugo	115,000	-	-	11,575	-	-	-	126,575	-
Executive Directors									
M Clark (1)	605,000	143,000	9,347	27,500	54,452	267,309	-	1,106,608	37.08%
Other Executives									
K Massey (1)	481,250	110,000	9,347	27,500	27,314	723,287	-	1,378,698	60.44%
P Thomas (1)	583,750	332,000	9,347	27,500	73,272	759,897	-	1,785,766	61.14%
	2,037,500	**585,000**	**28,041**	**119,587**	**155,038**	**1,750,493**	**-**	**4,675,659**	

* Other short-term benefits refer to a cash bonus paid to KMP for meeting STI targets. Included in Mr Thomas' other short-term benefits was a cash bonus of $200,000 for meeting construction targets.

* Non-monetary benefits are presented at actual cost plus any fringe benefits tax paid or payable by the Company.

Long term benefits for accrued annual and long service leave are the movements in the provision, net of any leave taken.

(1) Mr Clark, Mr Massey and Mr Thomas elected to receive a portion of their superannuation entitlements above the statutorily required maximum amount as salary.

Movements in share holdings

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by KMP, including their related parties, is as follows:

	Held as at 1 July 2022	Issued on exercise of options/rights	Net change other*	Held as at 30 June 2023
Non-Executive Directors				
M Okeby	6,615,385	-	-	6,615,385
M Ertzen	3,611,539	-	-	3,611,539
B De Araugo	74,550	-	-	74,550
Executive Directors				
M Clark	22,052,000	120,000	-	22,172,000
Other Executives				
K Massey	2,153,847	1,000,000	(600,000)	2,553,847
P Thomas	3,400,000	1,000,000	(1,400,000)	3,000,000
	37,907,321	**2,120,000**	**(2,000,000)**	**38,027,321**

* Unless stated otherwise, "Net change other" relates to on market purchases and sales of shares.

Related Party Transactions with Key Management Personnel

Loans to Key Management Personnel and their related parties

There were no loans made to any Director, KMP and/or their related parties during the current or prior years.

Other transactions with Key Management Personnel

No Director has entered into contracts with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end. Transactions between related parties are on usual commercial terms and on conditions no more favourable than those available to other parties unless otherwise stated.

Other than the ordinary accrual of personnel expenses at balance date and transactions disclosed above, there are no other amounts receivable from and payable to KMP and their related parties.

Company Performance

Capricorn aims to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs, as discussed above. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2019 $'000	Restated 2020 $'000	2021 $'000	2022 $'000	2023 $'000
Revenue	207	122	110	287,043	320,840
Net profit/(loss) after tax	(23,817)	(17,947)	(4,765)	89,483	4,399
Share price at year-end	0.089	1.795(1)	1.900	3.130	4.03
Dividends paid	-	-	-	-	-
Basic earnings per share	(15.19)	(4.30)	(1.39)	24.27	1.18
Net assets	23,817	95,508	130,460	247,535	256,537

(1) A share consolidation of one for every five shares was approved by shareholders in November 2019.

The Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

- END OF AUDITED REMUNERATION REPORT -

Signed in accordance with a resolution of the Board of Directors.

Mr Mark Clark

Executive Chairman

Perth, Western Australia

7 September 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Capricorn Metals Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Capricorn Metals Ltd for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

R Gambitta
Partner

Perth

7 September 2023

	Note	2023 $'000	2022 $'000
Revenue	2	320,840	287,043
Cost of goods sold	3	(171,570)	(149,480)
Gross profit		149,270	137,563
Other income	2	34	229
Personnel costs	3	(5,175)	(7,217)
Share-based payment expense	29	(4,712)	(4,893)
Depreciation	3	(341)	(225)
Amortisation	3	(2,028)	(935)
Administrative expense		(2,567)	(1,680)
Exploration and evaluation expenditure		(66)	(233)
Net finance costs	4	(125,249)	(11,703)
Profit before income tax expense		**9,166**	**110,906**
Income tax expense	6	(4,767)	(21,423)
Profit attributable to members of the parent entity		**4,399**	**89,483**
Other comprehensive income:			
Items that may be re-classified to profit or loss:			
Exchange differences on translation of foreign operations		(7)	(196)
Other comprehensive loss for the year, net of tax		(7)	(196)
Total comprehensive income for the year attributable to members of the parent entity		4,392	89,287
Earnings per share:			
Basic profit/(loss) per share (cents per share)	5	1.18	24.27
Diluted profit/(loss) per share (cents per share)	5	1.17	23.91

The accompanying notes form part of these financial statements

Consolidated statement of financial position
For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	7	106,471	61,502
Receivables	8	2,535	2,235
Other assets		356	295
Inventories	9	16,619	14,913
Other financial assets	10	3,517	3,099
Assets classified as held for sale	11	2,500	2,500
Total current assets		**131,998**	**84,544**
Non-current assets			
Inventories	9	47,546	29,883
Other financial assets	10	2,790	3,067
Plant and equipment	12	153,302	159,121
Right of use assets	13	45,364	47,972
Deferred exploration and evaluation costs	14	105,723	77,297
Mine properties under development	15	-	-
Mine properties	16	49,762	46,628
Total non-current assets		**404,487**	**363,968**
Total assets		**536,485**	**448,512**
Current liabilities			
Trade and other payables	18	33,226	27,407
Lease liabilities	19	9,428	7,613
Borrowings	20	613	38,386
Provisions	21	1,457	1,087
Total current liabilities		**44,724**	**74,493**
Non-current liabilities			
Lease liabilities	19	31,769	37,822
Borrowings	20	50,000	27,000
Provisions	21	30,452	29,226
Other financial liabilities	22	97,103	11,540
Deferred tax liabilities	23	25,900	20,896
Total non-current liabilities		**235,224**	**126,484**
Total liabilities		**279,948**	**200,977**
Net assets		**256,537**	**247,535**
Equity			
Issued capital	24	203,422	203,524
Reserves	25	3,134	6,101
Retained earnings	26	49,981	37,910
Total equity		**256,537**	**247,535**

The accompanying notes form part of these financial statements

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Note	Issued capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Total $'000
Balance as at 1 July 2021		180,629	(60,816)	(852)	11,499	130,460
Profit/(loss) for the year		-	89,483	-	-	89,483
Other comprehensive income		-	-	(196)	-	(196)
Total comprehensive income		-	89,483	(196)	-	89,287
Issue of shares	24	22,410	-	-	-	22,410
Cost of capital raised	24	485	-	-	-	485
Share based payments	29	-	-	-	4,893	4,893
Transfer	25	-	9,243	-	(9,243)	-
Balance as at 30 June 2022		**203,524**	**37,910**	**(1,048)**	**7,149**	**247,535**
Balance as at 1 July 2022		203,524	37,910	(1,048)	7,149	247,535
Profit/(loss) for the year		-	4,399	-	-	4,399
Other comprehensive income		-	-	(7)	-	(7)
Total comprehensive income		-	4,399	(7)	-	4,392
Issue of shares	24	-	-	-	-	-
Cost of capital raised	24	(102)	-	-	-	(102)
Share based payments	29	-	-	-	4,712	4,712
Transfer	25	-	7,672	-	(7,672)	-
Balance as at 30 June 2023		**203,422**	**49,981**	**(1,055)**	**4,189**	**256,537**

The accompanying notes form part of these financial statements

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from gold sales		320,747	286,948
Payments to suppliers and employees		(164,124)	(146,390)
Interest received		2,028	28
Interest paid		(6,218)	(5,966)
Other income		127	37
Net cash from operating activities	7	**152,560**	**134,657**
Cash flows from investing activities			
Payments for property, plant and equipment		(11,474)	(5,777)
Payments for capitalised exploration expenditure		(35,606)	(18,437)
Payments for mine properties under development		(23)	(26,548)
Payment for acquisition of assets		(200)	(26,744)
Proceeds on disposal of property, plant and equipment		-	187
Net cash used in investing activities		**(47,303)**	**(77,319)**
Cash flows from financing activities			
Proceeds from exercise of share options		-	6,000
Transaction costs from issue of shares		135	(42)
Proceeds from borrowings		-	20,000
Repayment of borrowings		(15,000)	(25,000)
Payment of lease liabilities		(8,644)	(7,424)
Payments for gold put options		(3,674)	-
Payments for gold forward contracts		(33,105)	-
Net cash flows used in financing activities		**(60,288)**	**(6,466)**
Net increase in cash held		**44,969**	**51,190**
Cash and cash equivalent at the beginning of the year	7	61,502	10,312
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at the end of the year	7	**106,471**	**61,502**

The accompanying notes form part of these financial statements

BASIS OF PREPARATION

Capricorn Metals Ltd is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The Company's registered office and principal place of business is:

Level 3, 40 Kings Park Road

WEST PERTH WA 6005

The nature of the operations and principal activities of the Company and its subsidiaries are described in the Directors Report.

The consolidated financial statements were authorised for issue by the Board of Directors on 7 September 2023.

The consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards adopted by the International Standards Board;
- have been prepared on a historical cost basis except for assets and liabilities and share based payments which are required to be measured at fair value;
- are presented in Australian dollars with all values rounded to the nearest thousand ($'000) unless otherwise stated in accordance with ASIC Instrument 2016/191;
- adopts all new, revised and amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period (See details below); and
- presents reclassified comparative information where required for consistency with the current year's presentation.

Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in Note 30.

The consolidated financial statements incorporate the financial statements of the Parent and Entities controlled by the Parent (its subsidiaries). The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Key estimate and judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes.

New standards and interpretations adopted

The Group has adopted AASB 9 *Financial Instruments:* from 1 July 2022. Under the amendments, the Group recognises only fees paid or received between the borrower and the lender and fees paid or received by either the borrower or the lender on the other's behalf when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The Group has adopted AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* from 1 July 2022. Under the amendments, the Group recognises that the costs an entity includes when assessing whether a contract will be loss-making consists of the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The adoption of the new standards and interpretations have not had a material impact on the financial performance of the Company.

New standards and interpretations issued but not yet effective

Refer to Note 37

Notes to the financial statements

The notes include information which is required to understand the financial statements and is material to the operations and the financial position and performance of the Group.

The notes are organised into the following sections:

- Performance for the year
- Assets
- Liabilities
- Equity
- Financial instruments and risk management
- Other disclosures

PERFORMANCE FOR THE YEAR

This section focuses on the results and performance of the Group, covering profitability, return to shareholders via earnings per share combined with cash generation.

1. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Board and the executive management team (the chief operating decision makers).

The Group has two reportable segments which comprise the Karlawinda Gold Project and the Mt Gibson Gold Project.

Unallocated items mainly comprise of corporate administrative costs.

	Karlawinda		Mt Gibson		Unallocated		Total	
	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000
Revenue								
Revenue	320,747	286,948	-	-	93	95	320,840	287,043
Other income	-	-	-	187	34	42	34	229
	320,747	286,948	-	187	127	137	320,874	287,272
Result								
Profit/(loss) before income tax	22,270	124,125	(35)	99	(13,069)	(13,318)	9,166	110,906
Net finance costs	(125,237)	(11,363)	7	-	(19)	-	(125,249)	(11,703)
Depreciation	(21,274)	(24,828)	(49)	-	(335)	(214)	(21,658)	(25,042)
Amortisation	(5,911)	(6,623)	-	-	-	-	(5,911)	(6,623)
Assets/Liabilities								
Segment assets	433,908	373,901	93,441	66,291	9,136	8,320	536,485	448,512
Segment liabilities	(240,421)	(162,946)	(11,752)	(13,054)	(27,775)	(24,977)	(279,948)	(200,977)

2. REVENUE AND OTHER INCOME

Accounting policies

Gold Sales

The Group recognises revenue from gold sales when it satisfies the performance obligation of transferring control of gold inventory to the bank. The Group has determined that this generally occurs when the sales contract has been entered into and the bank has physical possession of the gold, as this is the point at which the bank obtains control of the asset. The transaction price is determined based on the agreed price and the number of ounces delivered. Payment is due upon delivery into the sales contract.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental Income

Rental income is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic return on the property.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax ("GST").

Government Grants

Government grants are recognised when there is reasonable assurance that conditions attached to the grant will be complied with and that the grant will be received.

Revenue and other income	2023 $'000	2022 $'000
Revenue		
Gold sales	320,747	286,948
Rental income	93	95
	320,840	287,043
Other income		
Other	34	42
Profit on sale of property, plant and equipment	-	187
	34	229

Gold forward contracts

As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financier Macquarie, the Group has entered into gold forward contracts to manage the gold price of a proportion of anticipated sales of gold.

In June 2023 the Company announced that it had cash settled 51,000 ounces of gold forward contracts it held, consequently in accordance with accounting standards the remaining gold forwards are now recognised in the balance sheet at fair value (refer Note 22). Previously the gold forward contracts had only been settled via the physical delivery of gold which did not require the gold forwards to be recognised at fair value on the balance sheet. The gold forward contracts were treated as sale contracts with revenue recognised once gold has been delivered to Macquarie or its agent.

Set out below is the settlement timeframe for the remaining gold forward contracts as at 30 June 2023.

	Gold for physical delivery ounces	Average Contracted gold sale price $	Value of committed sales $'000	Mark-to-market $'000
Between one and five years				
- Fixed forward contracts	107,000	2,327	248,989	(83,177)

The average contracted sales price is rounded to the nearest dollar. Mark-to-market has been calculated using the average forward price per ounce of $2,885 (2022: $2,726). Mark to market represents the value of the open contracts at balance date, calculated with reference to the gold average forward price at that date. A negative amount reflects a valuation in the counterparty's favour.

3. EXPENSES

Accounting policies

Cash costs of production

Cash costs of production is a component of costs of goods sold and includes direct costs incurred for mining, milling, laboratory and mine site administration, net of costs capitalised to pre-strip. This category includes movements in the cost of inventory and any net realisable value write downs.

Defined contribution superannuation benefits

All employees of the Group, located in Australia, receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Depreciation

Depreciation of mine specific plant, equipment, buildings and infrastructure with useful lives the same or greater than the expected life of mine are charged to the statement of profit and loss and other comprehensive income on a unit-of-production basis over the life of the mine using tonnes of ore milled.

Depreciation of other assets with useful life shorter than the life of mine are charged to the statement of comprehensive income over the assets useful life using the straight line method as follows:

Furniture and equipment	2 - 5 years
Plant and equipment	2 - 10 years
Mobile plant and equipment	2 - 5 years
Buildings and infrastructure	2 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Amortisation

Mine properties are amortised on a unit-of-production bases over the run of mine ore included in the life of mine plan.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs have been expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Expenses	2023 $'000	2022 $'000
Costs of goods sold		
Cash costs of production	(128,749)	(105,399)
Royalties	(17,680)	(13,576)
Depreciation of mine plant and equipment	(21,258)	(24,817)
Amortisation of mine properties (refer Note 16)	(3,883)	(5,688)
	(171,570)	**(149,480)**
Personnel costs		
Salaries and wages	(20,658)	(16,520)
Defined contribution superannuation	(1,945)	(1,607)
Employee bonuses	-	(1,404)
Other employee benefits expense	(2,131)	(2,384)
Less: Amounts capitalised	4,290	2,120
Less: Amounts included in cost of goods sold	15,269	12,578
	(5,175)	**(7,217)**
Depreciation		
Plant and equipment depreciation (refer to Note 12)	(14,757)	(18,827)
Right of use asset depreciation (refer to Note 13)	(6,901)	(6,144)
Less: Amounts capitalised	59	(71)
Less: Amounts included in cost of goods sold	21,258	24,817
	(341)	**(225)**
Amortisation		
Mine properties amortisation (refer note 16)	(3,883)	(5,688)
Financial asset amortisation (refer note 10)	(2,028)	(935)
Less: Amounts included in cost of goods sold	3,883	5,688
	(2,028)	**(935)**

4. NET FINANCE COSTS

Accounting policies

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs have been expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Net finance costs	2023 $'000	2022 $'000
Interest revenue	2,287	54
Interest on borrowings	(3,127)	(2,841)
Interest on lease liabilities (refer to Note 19)	(3,318)	(3,441)
Unwinding of discount on provisions (refer Note 21)	(718)	(677)
Fair value loss on equity investments (refer Note 10)	(595)	(340)
Fair value loss on gold put options (refer Note 10)	(1,110)	-
Fair value loss on gold call options (refer Note 22)	(2,386)	(4,458)
Fair value loss on gold forwards (1) (refer Note 22)	(83,177)	-
Cost of gold forwards (2)	(33,105)	-
	(125,249)	(11,703)

(1) Fair value loss on gold forwards represents the non-cash cost of fair valuing the remaining gold forwards held by the Company at year end. The initial recognition of the gold forwards at fair value during the year was required due to the company no longer being able to apply on the "own use" exemption in AASB 9 Financial instruments.

(2) Cost of gold forwards represents the settlement of 51,000 ounces of gold forward contracts held by the Company in cash as announced on 26 June 2023.

Key estimates and judgements – Unit-of-production method of depreciation and amortisation

The group uses the unit-of-production basis when depreciating/amortising life-of-mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life-of-mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of the available resource of the mine property at which it is located.

5. EARNINGS PER SHARE

Accounting policy

Basic earnings per share ("BEPS") is calculated by dividing the income or loss attributable to the members of the Company for reporting period, after exclusion of any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period adjusted for any bonus elements.

Diluted earnings per share ("DEPS") adjusts the figures used in the determination of BEPS to take into account the after-tax effect of interest recognised associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares adjusted for any bonus elements.

Earnings per share	2023 Cents	2022 Cents
Basic earnings per share (BEPS)	1.18	24.27
Diluted earnings per share (DEPS)	1.17	23.91

	2023 $'000	2022 $'000
Earnings used in calculating BEPS and DEPS		
Profit attributable to members of the parent entity	4,399	89,483

	2023 Number	2022 Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used to calculate BEPS	373,757,298	368,756,565
Adjustments for calculation of DEPS:		
Performance rights	1,963,732	5,440,818
Weighted average number of ordinary shares used to calculate DEPS	375,721,030	374,197,383

There have been no transactions involving ordinary shares between the reporting date and the date of completion of these financial statements which would impact the above calculations.

6. INCOME TAX

Accounting policy

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Amounts recognised in profit and loss	2023 $'000	2022 $'000
(a) Tax expense		
Current tax	-	-
Deferred tax	4,767	21,423
Total tax expense for the period	**4,767**	**21,423**
(b) Numerical reconciliation between tax expense and pre-tax net profit or (loss)		
Net profit before tax	9,166	110,906
Corporate tax rate applicable	30%	30%
Income tax expense on above at applicable corporate rate	2,750	33,272
Increase/(decrease) income tax due to tax effect of:		
Non-deductible expenses	1,425	1,460
Current year tax losses not recognised	-	-
Non assessable income	-	-
Movement in unrecognised temporary differences	829	75
Recognition of previously unrecognised prior year tax losses	-	(13,116)
Deductible equity raising costs	(237)	(268)
Income tax expense attributable to entity	**4,767**	**21,423**
(c) Amounts charged or (credited) directly to equity		
Relating to equity raising costs	237	(527)
Other	-	-
	237	(527)

7. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents	2023 $'000	2022 $'000
Cash at bank	**106,471**	**61,502**

Reconciliation of profit after tax to net cash flow from operations:		
Profit after income tax	4,399	89,483
Adjustments for:		
Depreciation	21,599	25,042
Amortisation	5,911	6,623
Unwinding of discount on provisions	718	677
Unrealised loss on derivatives	86,672	4,458
Fair value loss on financial assets	595	340
Share based payment	4,712	4,893
Profit on disposal of fixed assets	-	(187)
Unrealised foreign exchange gain	(6)	-
Payments for gold derivatives	33,105	-
Changes in assets and liabilities		
Increase in receivables	(300)	(909)
Increase in other current assets	(61)	(30)
Increase in inventories	(19,369)	(30,731)
Increase in financial assets		-
Increase in payables and accruals	9,228	12,918
Increase in provisions	590	657
Increase in deferred tax liabilities	4,767	21,423
Cashflow from operating activities	**152,560**	**134,657**

Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year ended 30 June 2023 (2022: Nil).

<u>ASSETS</u>
This section shows the assets used to generate the Group's trading performance.

8. RECEIVABLES

Accounting policy

Receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. Other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Receivables are recognised at amortised cost, less any allowance for expected credit losses.

Receivables	2023 $'000	2022 $'000
GST receivable	1,647	1,551
Security deposits	386	478
Fuel tax credit receivable	150	(66)
Interest receivable	283	26
Other receivables	69	246
	2,535	2,235

9. INVENTORIES

Accounting policy

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on a first-in first-out basis at weighted average cost.

Inventories expected to be sold (or consumed in the case of stores) within 12 months after the balance sheet date are classified as current assets, all other inventories are classified as non-current. The following balances are carried at cost.

Inventories	2023 $'000	2022 $'000
Current		
Ore stockpiles	9,460	6,844
Gold in circuit	3,972	4,356
Bullion on hand	1,805	2,497
Consumable stores	1,382	1,216
	16,619	14,913
Non-Current		
Ore stockpiles	47,546	29,883

Key estimates and judgements – Inventories

Net realisable value tests are performed at each reporting date and represent the estimated forecast sales price of the gold contained in inventories, when it is expected to be realised, less estimated costs to complete production and bring the product to sale in accordance with the approved mine plan which includes the blending of ores. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

10. OTHER FINANCIAL ASSETS

Accounting policy

The Group's other financial assets include equity investments, gold call options and gold put options.

Recognition and initial measurement

All financial assets are initially recognised when the Group becomes party to the contractual provisions of the instrument except trade receivables which are initially recognised when they are originated.

A financial asset (excluding trade receivables is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, except where the instruments are classified 'at fair value through profit or loss' ("FVTPL"), in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- at amortised cost;
- 'fair value in other comprehensive income' ("FVOCI") – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the changes.

A financial asset is measured at amortised costs if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not being held for trading, the Group may irrevocably elect to present subsequent changes to the investment's fair value in OCI. This election is made on an investment -by-investment basis.

All financial assets not measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Amortised cost

Amortised cost is calculated as:

- the amount at which the financial asset is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

Fair values

The carrying amounts and estimated fair values of all the Group's financial assets recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of the financial assets are disclosed in the respective notes.

Derecognition

The Group derecognises a financial asset when:

- the contractual rights to receive the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Other financial assets	2023 $'000	2022 $'000
Current		
Gold call options at FVTPL	-	1,751
Gold put options at FVTPL	2,564	-
Equity investments at FVTPL	953	1,348
	3,517	**3,099**
Non-current		
Gold call options at FVTPL	**2,790**	**3,067**

Gold option assets

Gold option assets represent the fair value gold call option contracts entered into on 6 January 2020 and gold put option contracts purchased on 26 June 2023.

Gold option assets	2023 $'000	2022 $'000
As at 1 July	4,818	5,753
Additions	3,674	-
Amortisation (refer Note 3)	(2,028)	(935)
Fair value adjustments (refer Note 4)	(1,110)	-
As at 30 June	**5,354**	**4,818**

Equity investments

Equity investments represent the fair value of shares held by the Company in ASX listed Companies.

Equity investments	2023 $'000	2022 $'000
As at 1 July	1,348	1,688
Additions	200	-
Fair value adjustments (refer Note 4)	(595)	(340)
As at 30 June	**953**	**1,348**

Fair value of listed shares and assumptions	2023	2022
Evion Group NL (formerly BlackEarth Minerals NL)		
Fair value per listed share	$0.036	$0.074
Closing quoting bid price per share	$0.036	$0.074
DiscovEx Resources Limited		
Fair value per listed share	$0.0025	$0.004
Closing quoting bid price per share	$0.0025	$0.004

11. ASSETS HELD FOR SALE

Accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through the sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets, except deferred tax assets, employee benefits assets or investment property, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

The held-for-sale property is subject to review and revalued on the basis of independent valuations. Any revaluation adjustment to the carrying amount is recognised in other comprehensive income and accumulated in equity under the heading of asset revaluation reserve.

Assets held for sale	2023 $'000	2022 $'000
Property asset	2,500	2,500
Impairment	-	-
Translation adjustment	-	-
	2,500	2,500

The Group has put its freehold property asset located in Antananarivo, Madagascar up for sale. The property covers an area of 19,373m^2 containing several buildings, including offices, warehouses and villa accommodation.

A valuation was completed by Cabinet D'Expertise Audit Techniques Et Conseils Qualities in June 2023 of 9,019,164,000 Ariary which translates to AUD $3,027,733 as at 30 June 2023 (2022: AUD $2,603,874). Based on the current valuation, the Directors considered the carrying value appropriate for the year ended 30 June 2023.The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

12. PLANT AND EQUIPMENT

Accounting policy

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Property
Land and Buildings are measured using a cost model in accordance with paragraph 31 of AASB 116 Property, Plant and Equipment. Any revaluation adjustment to the carrying amount of land and buildings is recognised in other comprehensive income and accumulated in equity under the heading of asset revaluation reserve.

Infrastructure, mobile plant and equipment, plant and equipment and furniture and equipment
The value of infrastructure, mobile plant and equipment, plant and equipment and furniture and equipment is measured as the cost of the asset, less accumulated depreciation and impairment. The cost of the asset also includes the cost of assembly and replacing parts that are eligible for capitalisation, the cost of major inspections and an initial estimate of the cost of dismantling and removing the item from site at the end of its useful life.

Capital work in progress
The value of capital WIP is measured as the cost of the asset less impairment. The cost of the asset also includes the cost of assembly and replacing parts that are eligible for capitalisation, the cost of major inspections and an initial estimate of the cost of dismantling and removing the item from site at the end of its useful life.

Plant and equipment	Buildings & Infrastructure $'000	Plant & Equipment $'000	Mobile Plant & Equipment $'000	Furniture & Equipment $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2021	-	634	-	428	13	1,075
Additions	1,574	1,230	662	416	2,632	6,514
Transfers from mine properties under development	46,520	113,574	3,050	7,333	-	170,477
Transfers between asset classes	-	(269)	269	-	-	-
Depreciation	(5,045)	(11,837)	(832)	(1,113)	-	(18,827)
Amounts written off		(62)	(1)	(55)	-	(118)
Net carrying amount at 30 June 2022	**43,049**	**103,270**	**3,148**	**7,009**	**2,645**	**159,121**
As at 30 June 2022						
Cost	48,094	115,216	3,980	8,377	2,645	178,312
Accumulated depreciation	(5,045)	(11,946)	(832)	(1,368)	-	(19,191)
Net carrying amount at 30 June 2022	**43,049**	**103,270**	**3,148**	**7,009**	**2,645**	**159,121**

Plant and equipment	Buildings & Infrastructure $'000	Plant & Equipment $'000	Mobile Plant & Equipment $'000	Furniture & Equipment $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2022	43,049	103,270	3,148	7,009	2,645	159,121
Additions	1,738	1,656	1,263	1,509	2,808	8,974
Depreciation	(3,505)	(9,032)	(1,149)	(1,071)	-	(14,757)
Amounts written off		(36)	-	-	-	(36)
Net carrying amount at 30 June 2023	**41,282**	**95,858**	**3,262**	**7,447**	**5,453**	**153,302**
As at 30 June 2023						
Cost	49,832	116,817	5,243	9,886	5,453	187,231
Accumulated depreciation	(8,550)	(20,959)	(1,981)	(2,439)	-	(33,929)
Net carrying amount at 30 June 2023	**41,282**	**95,858**	**3,262**	**7,447**	**5,453**	**153,302**

13. RIGHT-OF-USE ASSETS

Accounting policy

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs;
- Any restoration costs.

The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability.

Payments associated with short-term leases that have terms of 12 months or less and leases of low-value assets that have a replacement value of less than $5,000 are recognised on a straight-line basis as an expense in profit or loss. Assets arising from a lease are initially measured on a present value basis.

Right of use assets	2023 $'000	2022 $'000
As at 1 July	47,972	51,591
Additions to right-of-use assets	4,293	2,525
Depreciation charge for the year (refer to Note 3)	(6,901)	(6,144)
As at 30 June	**45,364**	**47,972**

Payments associated with short-term leases and leases of low value assets for the year were $1,523,000 (2022: $1,477,000).

14. DEFERRED EXPLORATION AND EVALUATION COSTS

Accounting policy

Exploration and evaluation expenditure incurred is capitalised only when that expenditure is attributable to a defined area of interest for which the Group has the rights to explore, evaluate and develop. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties under development. No amortisation is charged during the exploration and evaluation phase.
Exploration and evaluation assets are assessed for impairment if:

- the period for which the right to explore in the area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned;
- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units ("CGUs") to which the exploration activity relates. The CGU is not larger than the area of interest.

Deferred exploration and evaluation costs	2023 $'000	2022 $'000
As at 1 July	77,297	2,698
Expenditure for the period	35,160	21,789
Acquisition of exploration and evaluation assets – MGGP	-	51,560
Acquisition of tenements	-	1,250
Transfer to mine properties	(6,734)	-
As at 30 June	105,723	77,297

Key estimates and judgements – Exploration and evaluation expenditure

Exploration expenditure

Tenement acquisition costs are initially capitalised together with other exploration and evaluation expenditure. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of a defined area of interest for which the Group has the rights to explore, evaluate and develop, the sale of the respective areas of interest or where activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Planned exploration expenditure

Exploration expenditure commitments represent tenement rentals and expenditure requirements that may be required to be met under the relevant legislation should the Group wish to retain tenure on all current tenements in which the Group has an interest.

The terms and conditions under which the Group retains title to its various tenements require it to meet tenement rentals and minimum levels of exploration expenditure as gazetted by the Western Australian government, as well as local government rates and taxes.

Exploration commitments at reporting date not recognised as liabilities	2023 $'000	2022 $'000
Within one year	3,582	3,313
	3,582	**3,313**

Annual exploration expenditure after one year will be a similar commitment to that within one year, however this amount is increased if new exploration tenements are added to the Group's portfolio or reduced, if exploration tenements are removed from the Group's portfolio.

15. MINE PROPERTIES UNDER DEVELOPMENT

Accounting policy

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before commercial production commences. These costs are capitalised to the extent they are expected to be recouped through successful exploitation of the related mining leases.

Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserves to which they relate or are written off if the mine property is abandoned.

Mine properties under development	2023 $'000	2022 $'000
As at 1 July	-	208,323
Construction expenditure capitalised	-	18,000
Pre-production expenditure capitalised	-	(233)
Transfer to mine properties	-	(55,613)
Transfer to property plant & equipment	-	(170,477)
As at 30 June	-	-

Transfers to plant and equipment relate to construction expenditure on the Karlawinda Gold Project.

16. MINE PROPERTIES

Accounting policy

Mine properties represent expenditure in respect of exploration, evaluation, feasibility, pre-production operating costs incurred by the Group prior to the commencement of production and rehabilitation assets. All expenditure is carried forward to the extent that it is expected to be recouped from future revenues. If additional expenditure is incurred in respect of a mine property after production has commenced such expenditure is carried forward as part of the cost of the mine property if it is expected to be recouped from future revenues otherwise the expenditure is classified as part of the cost of production and expensed as incurred.

Mine properties are amortised on a unit-of production basis over the life of the mine using tonnes of ore milled.

Mine properties	Other $'000	Pre-production $'000	Rehabilitation $'000	Total $'000
Net carrying amount at 1 July 2022	13,751	16,908	15,969	46,628
Additions	-	-	283	283
Transfers from Exploration	6,734	-	-	6,734
Amortisation (refer note 3)	(1,247)	(1,341)	(1,295)	(3,883)
Net carrying amount at 30 June 2023	**19,238**	**15,567**	**14,957**	**49,762**

	Other $'000	Pre-production $'000	Rehabilitation $'000	Total $'000
As at 30 June 2023				
Cost	22,211	18,865	18,257	59,333
Accumulated amortisation	(2,973)	(3,298)	(3,300)	(9,571)
Net carrying amount at 30 June 2023	**19,238**	**15,567**	**14,957**	**49,762**

17. IMPAIRMENT OF NON-FINANCIAL ASSETS

Accounting policy

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

There have been no impairment indicators during the year.

Key estimates and judgements – Determination of mineral resources and reserves

The Group estimates its Mineral Resources and Ore Reserves in accordance with the *Australasian Code of Reporting for Mineral Resources and Ore Reserves 2012* (the "JORC Code"). The information on mineral resources and ore reserves was prepared by or under supervision of Competent Persons as defined under the JORC Code.

The determination of mineral resources and ore reserves impacts the accounting for asset carrying values.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of Reserves and may ultimately result in Reserves being restated

LIABILITIES

This section shows the liabilities incurred as a result of the trading activities of the Group.

18. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are initially recognised at fair value through profit or loss and subsequently measured at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Trade and other payables	2023 $'000	2022 $'000
Trade payables	17,141	8,169
Accrued expenses	10,260	12,156
Other payables	5,825	7,082
	33,226	27,407

19. LEASE LIABILITIES

Accounting policy

The nature of the Group's leasing activities includes contracts for mining services, drilling, haulage, and power generation contracts. Additionally, office leases and office equipment have also been included.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Payments associated with short-term leases that have a term of 12 months or less and leases of low-value assets that have a replacement value of $5,000 or less are recognised on a straight-line basis as an expense in profit or loss.

Lease liabilities	2023 $'000	2022 $'000
Current		
Lease liabilities	9,428	7,613
Non-Current		
Lease liabilities	31,769	37,822

Interest expense in relation to lease liabilities for the year ended 30 June 2023 was $3,318,000 (2022: $3,441,000) (refer to Note 4).

Total cash outflows relating to leases during the year were $11,962,000 (2022: $10,864,000) comprising, principal ($8,644,000) and interest ($3,318,000) payments.

The Group's contracts that contain leases that are structured as variable payments are not included in the measurement of lease liabilities under AASB 16. Variable lease payments for the year ended 30 June 2023, including non-lease components such as labour, totalled $77,222,769 (2022: $77,199,000).

Payments associated with short-term leases and leases of low value assets for the year were $1,706,377 (2022: $1,477,000).

20. BORROWINGS

Accounting policy

Interest bearing borrowings are initially measured at fair value, net of directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings which are due to be settled within 12 months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than 12 months or an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings to be settled more than 12 months after the balance sheet date are included in non-current borrowings in the balance sheet.

Borrowings	2023 $'000	2022 $'000
Current		
Bank loans	613	38,386
Non-Current		
Bank loans	50,000	27,000

Borrowings comprise of amounts drawn down on an original Project Loan Facility of $100 Million with Macquarie Bank Limited ("Macquarie"). The facility accrues interest at the bank bill rate plus 3% and was repayable in various instalments over a term ending 30 June 2025 however, voluntary repayments can be made in accordance with the facility agreement.

In July 2022 the Company arranged with Macquarie Bank to convert the project loan facility to a general-purpose corporate loan facility with a single bullet repayment in June 2025. Capricorn can elect to repay (part or full) the loan at any time without penalty.

The bank holds a first ranking, registered fixed and floating charge over all the assets of Capricorn Metals Ltd and its wholly owned subsidiaries, as security for the facility provided by Macquarie.

The facility includes customary liquidity and debt service covenants. The Group is in compliance with its covenants.

21. PROVISIONS

Accounting policy

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability.

A provision for site rehabilitation is recognised in respect of the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the reporting date, but not yet rehabilitated.

Rehabilitation provision

A provision for rehabilitation is recognised in respect of the estimated costs of rehabilitation of the areas that remain disturbed by mining activities up to the reporting date.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets.

At each reporting date the rehabilitation is re-measured to reflect any changes in discount and inflation rates and timing of amounts to be incurred. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation provision, prospectively from the date of change. Where the carrying value of the related asset has been reduced to nil either through amortisation or impairment, changes to estimated costs are recognised immediately in the statement of profit or loss and other comprehensive income.

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave entitlements. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions	2023 $'000	2022 $'000
Current		
Annual leave	1,431	1,076
Rehabilitation	26	11
	1,457	1,087
Non-Current		
Long service leave	338	118
ROU asset demobilisation	743	703
Rehabilitation	29,371	28,405
	30,452	29,226

Provision for rehabilitation	2023 $'000	2022 $'000
As at 1 July	28,416	21,271
Provisions raised during the year	283	149
Provisions used during the year	(19)	(15)
Provisions re-measured during the year	(1)	(3,446)
Provisions assumed during the year – MGGP	-	9,779
Unwinding of the discount (refer Note 4)	718	678
As at 30 June	29,397	28,416

Key estimates and judgements – Rehabilitation provision

The Group assesses site rehabilitation liabilities on an annual basis. The provision recognised is based on an assessment of the estimated cost of closure and reclamation of the areas using internal information concerning environmental issues in the exploration and previously mined areas, discounted to present value.

Significant estimation is required in determining the provision for site rehabilitation as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where mining and/or exploration activities have previously taken place.

These factors include:

- future development/exploration activity;
- changes in the costs of goods and services required for restoration activity; and
- changes to the legal and regulatory framework.

These factors may result in future actual expenditure differing from the amounts currently provided.

22. OTHER FINANCIAL LIABILITIES

Accounting policy

The Group's other financial liabilities include gold call options and gold forwards.

Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, except where the instruments are classified 'at fair value through profit or loss' ("FVTPL"), in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Amortised cost

Amortised cost is calculated as:

- the amount at which the financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carry amount of the financial liability.
Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

Fair values

The carrying amounts and estimated fair values of all the Group's financial liabilities recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of the financial liabilities are disclosed in the respective notes.

Derecognition

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Hedge accounting

The Group designates certain financial liabilities as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in the gold price.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cashflow hedges

When a financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the financial liability is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the financial liability no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

The company has adopted hedge accounting from 1 July 2023.

Other financial liabilities	2023 $'000	2022 $'000
Non-current		
Gold call options at FVTPL	13,926	11,540
Gold forwards at FVTPL	83,177	-
	97,103	**11,540**

Gold call options

Gold call option liability refers to the fair value of the gold call option contract entered into on 6 January 2020. Subsequent measurement of the gold call option contracts, which expire on 30 June 2025, is at fair value at balance date with any changes in the fair value immediately recognised in the profit or loss.

Gold call options	2023 $'000	2022 $'000
As at 1 July	11,540	7,083
Fair value adjustments (refer Note 4)	2,386	4,457
As at 30 June	**13,926**	**11,540**

Gold forwards

Gold forward liability refers to the fair value of the remaining gold forward contracts at year end which expire at various dates up until 31 December 2026.

Previously the Company was required to only recognise the fair value the gold forward contracts that settled.

Gold forwards	2023 $'000	2022 $'000
As at 1 July	-	-
Fair value adjustments (refer Note 4)	83,177	-
As at 30 June	**83,177**	-

23. DEFERRED TAX LIABILITIES

Accounting policy

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit and loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred revenue tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities	2023 $'000	2022 $'000
(a) Recognised deferred tax assets and liabilities	30%	30%
Deferred tax liabilities		
Prepayments	4	19
Exploration and mine properties	31,697	17,066
Inventory	6,535	4,970
Plant and equipment	44,029	39,835
Other	85	7
Gross deferred tax liabilities	82,350	61,897
Set-off of deferred tax assets	(56,450)	(41,001)
Net deferred tax liabilities	**25,900**	**20,896**
Deferred tax assets		
Employee provisions	531	358
Other provisions and accruals	56	62
Derivative assets and liabilities	28,327	2,017
Rehabilitation provision	8,819	8,525
Blackhole previously expensed	4	12
Blackhole equity raising costs	290	527
Tax losses	18,244	29,177
Other	179	323
Gross deferred tax assets	56,450	41,001
Set-off of deferred tax liabilities	(56,450)	(41,001)
Net deferred tax assets	-	-
(b) Reconciliation of deferred tax, net:		
Opening balance at 1 July – net deferred tax liabilities	(20,896)	-
Income tax expense recognised in profit or loss	(4,767)	(21,423)
Income tax (expense)/benefit recognised in equity	(237)	527
Closing balance at 30 June – net deferred tax liabilities	**(25,900)**	**(20,896)**

Key estimates and judgements – Deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the balance sheet. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets.

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in Australia.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in Australia could limit the ability of the Group to obtain tax deductions in future periods.

Tax consolidation

The Company and its wholly-owned Australian resident entities became part of a tax-consolidated group on 1 July 2016. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax consolidated group is Capricorn Metals Limited.

The head entity, in conjunction with other members of the tax-consolidated group, have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity and are recognised by the Company as intercompany receivables (or payables). Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which asset can be utilised. Any subsequent period adjustment to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

EQUITY

This section outlines how the Group manages its capital.

24. ISSUED CAPITAL

Accounting policy

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Issued capital	2023 $'000	2022 $'000
Ordinary shares - issued and fully paid	**203,422**	**203,524**

Movement in ordinary shares on issue	Number of Shares	$'000
As at 1 July 2021	350,019,479	180,629
Issue of shares on exercise of options (1)	10,000,000	6,000
Issue of shares on exercise of performance rights (2)	3,275,000	-
Issue of shares on acquisition - MGGP (3)	8,285,954	15,160
Issue of shares on acquisition - Tenements (4)	344,752	1,250
Transaction costs	-	(42)
Tax effect of deferred tax deductions posted directly to equity	-	527
As at 30 June 2022	**371,925,185**	**203,524**
As at 30 June 2022	371,925,185	203,524
Issue of shares on exercise of performance rights (5)	4,032,990	-
Transaction costs	-	(102)
As at 30 June 2023	**375,958,175**	**203,422**

(1) On 28 July 2021, 10,000,000 options were exercised at an exercise price of $0.60 each.
(2) During the 2022 financial year 3,275,000 performance rights were exercised for nil value to employees in accordance with the shareholder approved Performance Rights Plan.
(3) On the 28 July 2021, 8,285,954 shares with a fair value of $1.83 a share were issued in consideration for the acquisition of the Mt Gibson Gold project as announced on 28 July 2021.
(4) On the 29 June 2022, 344,752 shares with a fair value of $3.62 a share were issued in consideration for the acquisition of the Mumbakine well project as announced on 30 May 2022.

(5) During the 2023 financial year 4,032,990 performance rights were exercised for nil value to employees in accordance with the shareholder approved Performance Rights Plan.

There are no preference shares on issue. The holders of ordinary shares are entitled to receive dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The Company does not have authorised capital or par value in respect of its shares.

25. RESERVES

Reserves	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Total Reserves $'000
As at 1 July 2021	11,499	(852)	10,647
Share-based payment transactions (refer note 29)	4,893	-	4,893
Translation movement for the year	-	(196)	(196)
Transfers [1]	(9,243)	-	(9,243)
As at 30 June 2022	**7,149**	**(1,048)**	**6,101**
Share-based payment transactions (refer note 29)	4,712	-	4,712
Translation movement for the year	-	(7)	(7)
Transfers [1]	(7,672)	-	(7,672)
As at 30 June 2023	**4,189**	**(1,055)**	**3,134**

(1) Transfer refers to options and performance rights that were either exercised, forfeited or expired in current and previous periods that have been transferred to retained earnings (refer to Note 26).

Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments including options and performance rights to Directors, employees, including KMPs, as part of their remuneration.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

26. RETAINED EARNINGS

Retained earnings	2023 $'000	2022 $'000
As at 1 July	37,910	(60,816)
Profit for the year	4,399	89,483
Transfers [1]	7,672	9,243
As at 30 June	**49,981**	**37,910**

(1) Transfers refers to options and performance rights that were either forfeited or expired in the current period that have been transferred from reserves (refer to Note 25).

RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

27. FINANCIAL RISK MANAGEMENT

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group's key financial instruments comprise cash and cash equivalents, trade and other receivables, gold option assets, trade and other payables, lease liabilities, gold call options, gold forwards and borrowings.

In June 2023, the Company announced that it had reduced its gold forward contracts by 51,000 ounces to provide further exposure to any increase in the A$ gold price. The closure of the gold forwards means the Company does not have any hedging delivery obligations until September 2024.

The restructure of the gold forwards has led to a change in the accounting for the remaining gold forwards and are now valued through the profit and loss. These contracts previously qualified as future inventory sales contracts with the sales value recognised as revenue at the time of sale, also known as the "own use" exemption.

This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Group's risk management policies and objectives are designed to minimise the potential impacts of these risks on the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Categories of financial instruments	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	106,471	61,502
Receivables	2,535	2,235
Equity investments	953	1,348
Gold call options	2,790	4,818
Gold put options	2,564	-
	115,313	**69,902**
Financial liabilities		
Trade and other payables	33,226	27,407
Lease liabilities	41,197	45,435
Borrowings	50,613	65,386
Gold call options	13,926	11,540
Gold forwards	83,177	-
	222,139	**149,768**

Market risk

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's functional and presentation currency.

The Group's revenue is derived from the sale of gold in Australian dollars and costs are mainly incurred in Australian dollars although as gold is globally traded in US dollars, the Group is exposed to foreign currency risk. The Group hedges its gold ounces in Australian dollars, which provides for some coverage of foreign currency risk.

The Group is occasionally exposed to foreign currency risk when long lead items are purchased in a currency other than Australian dollars. The Group maintains all of its cash in Australian dollars and does not currently hedge these purchases.

As a result of subsidiary companies being registered in Madagascar, the Group's statement of financial position can be affected by movements in the AUD$/Ariary exchange rates. The Group does not seek to hedge this exposure given there are minimal operations in these foreign subsidiaries and therefore minimal risk as a result of any changes in foreign currency.

In the reporting period, the Group was not exposed to material financial risks of changes in foreign currency exchange rates.

Interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

Interest-bearing financial instruments	2023 $'000	2022 $'000
Fixed rate instruments		
Term deposits	386	478
Lease liabilities	(41,197)	(45,435)
	(40,811)	(44,957)
Variable rate instruments		
Cash and cash equivalents	106,471	61,502
Borrowings	(50,613)	(65,386)
	55,858	(3,884)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change at reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points (2022: 200 basis points) in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2023		2022	
Interest-bearing financial instruments	200bp increase $'000	200bp decrease $'000	200bp increase $'000	200bp decrease $'000
Variable rate instruments	1,117	(1,117)	(78)	78

Commodity price risk

The Group's exposure to commodity price risk is from the fluctuations in the prevailing market prices of gold produced from its operating mine. The Group manages its exposure to movements in the gold price through the use of gold put options (refer Note 10), gold call options and gold forwards (refer Note 22) and its sold gold call option contract (refer Note 22).

The following table reflects the impact on equity and profit or loss relating to the gold put options, gold call options and the gold forwards of a $100 change in the spot price of gold as at 30 June 2023 (2022: $100).

	2023		2022	
	$100 Increase $'000	$100 decrease $'000	$100 increase $'000	$100 decrease $'000
Gold put options	(2,564)	5,100	n/a	n/a
Gold call options	(1,670)	1,670	(391)	391
Gold forwards	(10,700)	10,700	n/a	n/a

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

Credit risk is managed to ensure that customers and counterparties are of sound credit worthiness and monitoring is used to recover aged debts and assess receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimized by investing surplus funds in financial institutions with a high credit rating.

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained.

Financial liability maturity analysis

2023	Carrying amount liabilities $'000	Total contractual cash flows $'000	<6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	>5 years $'000
Trade and other payables	33,226	33,226	33,226	-	-	-	-
Lease liabilities	41,197	50,515	6,053	5,915	11,280	15,074	12,193
Borrowings	50,613	60,408	2,245	1,633	3,265	53,265	-
Gold forwards	83,177	83,177	-	-	31,697	51,480	
	208,213	**227,326**	**41,524**	**7,548**	**46,242**	**119,819**	**12,193**

2022	Carrying amount liabilities $'000	Total contractual cash flows $'000	<6 months $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	>5 years $'000
Trade and other payables	27,407	27,407	27,407	-	-	-	-
Lease liabilities	45,435	58,732	5,400	5,478	10,819	21,392	15,643
Borrowings	65,386	72,313	16,541	1,155	2,309	52,309	-
	138,228	**158,452**	**49,348**	**6,633**	**13,128**	**73,701**	**15,643**

Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements.

The fair value hierarchy consists of the following levels:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Assets		Liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Level 1	953	1,348	-	-
Level 2	2,564	2,500	(97,103)	(11,540)
Level 3	-	-	-	-
	3,517	**3,848**	**(97,103)**	**(11,540)**

Included within Level 1 of the hierarchy are the Evion Group NL (formerly BlackEarth Minerals NL) and DiscovEx Resources Limited shares listed on the Australian Securities Exchange. The fair value of these financial assets has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

Included within Level 2 of the hierarchy is the gold put options, gold call options and the gold forwards.

The fair value of the gold put options, the gold call options and the gold forwards was based on valuation techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, and spot and forward rate curves of the underlying commodity.

The changes in counterparty credit risk had no material effect on the gold put options. gold call options or the gold forwards recognised at fair value.
No transfers between the levels of the fair value hierarchy occurred during the current or previous reporting period. The Directors consider that the carrying value of all financial assets and financial liabilities are recognised in the consolidated financial statements approximate to their fair value.

28. CAPITAL MANAGEMENT

Risk management

The Board controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern so that they can maximise shareholder value and benefits to other stakeholders.

The Board effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Total capital is equity, as shown in the statement of financial position. The Group is not subject to any externally imposed capital requirements.

There have been no changes in the strategy adopted by the Board to control the capital of the Group since the prior year.

OTHER DISCLOSURES

This section provides information on items which require disclosure to comply with Australian Standards and other regulatory requirements.

29. SHARE BASED PAYMENTS

Accounting policy

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model. The fair value of performance rights determined by consideration of the Company's share price at the grant date and consideration of the specific market vesting conditions applicable to the performance rights.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("Vesting Date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects

- the extent to which the vesting period has expired and
- the number of options that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Plans

The Company has an Incentive option plan and a Performance rights plan (collectively "the Plans") which were last approved by shareholders on 10 November 2019 and 20 November 2020 respectively.

The objectives of the Plans are to assist with the recruitment, reward, retention and motivation of eligible employees of the Group. In accordance with the Plans the Board, on advice from the Remuneration, Nomination and Diversity Committee may issue eligible employees with options or performance rights to acquire shares in the future at a determined fixed exercise price on grant of the options or performance rights.

The vesting of the options and performance rights are subject to service conditions and performance criteria as outlined below.

Total expenses arising from share-based payment transactions recognised during the period were as follows:

Recognised share-based payments expense	2023 $'000	2022 $'000
Performance rights expense	**4,712**	**4,893**

Options

The following table outlines the number and weighted average exercise price ("WAEP") of, and movements in, options during the year:

	2023		2022	
Options	Number	WAEP	Number	WAEP
Outstanding as at 1 July	-	-	10,000,000	$0.60
Granted during the year	-	-	-	-
Exercised during the year	-	-	(10,000,000)	$0.60
Outstanding at end of the year	-	-	-	-
Exercisable as at 30 June	-	-	-	-

The weighted average share price at the date the options were exercised during the year ended 30 June 2022 is $2.25.

All options refer to options over ordinary shares of Capricorn Metals Ltd which are exercisable on a one for one basis.

The fair value at grant date of the options has been estimated using the Black-Scholes option pricing formula, taking into account the terms and conditions upon which the options were granted. The options vested immediately upon issue and the contractual life of each option was 3 years. The ability to exercise the options is conditional upon the employee remaining with the Group throughout the vesting period.

There were no new grants of employee options during the years ended 30 June 2023 and 30 June 2022.

Performance rights

The following table outlines the number and movements in Performance rights during the year:

Performance rights	2023 Number of Rights	2022 Number of Rights
Outstanding as at 1 July	5,440,818	7,175,000
Granted during the year	920,304	1,840,818
Forfeited during the year	(148,000)	(300,000)
Exercised during the year	(4,032,990)	(3,275,000)
Unissued during the year	(216,400)	-
Outstanding at end of the year	**1,963,732**	**5,440,818**
Exercisable as at 30 June	-	-

Financial year 2020

In December 2019, 4,000,000 Performance rights were granted to KMP, Mr Kim Massey and Mr Paul Thomas under the Group's Performance Rights Plan, 50% of the rights will vest on 17 September 2021 and the remaining rights will vest on 17 September 2022.

In March 2020, 2,450,000 Performance rights were granted to employees of the Company under the Group's Performance Rights Plan, 50% of rights will vest on 1 February 2022 and the remaining rights will vest on 1 February 2023.

The performance condition for the FY2020 Performance rights was continued employment with the Company for the performance period.

The fair value of the Performance rights granted during Financial year 2020 was $7,047,500. The fair value at the grant date was estimated using a Black Scholes option pricing model.

The table below details the terms and conditions of the grants and the assumptions used in estimating the fair value:

Item	*Issue 1*	*Issue 2*
Grant date	17 Dec 2019	27 Mar 2020
Value at grant date	$1.18	$0.95
Exercise price	nil	nil
Dividend yield	0%	0%
Risk free rate	0.77%	0.38%
Volatility	126%	123%
Performance period (yrs)	2.75	2.85
Test date	17/09/22	01/02/23
Remaining performance period (yrs)	-	-
Weighted average fair value	$1.18	$0.95

In October 2021, 2,000,000 Dec 2019 Performance rights were exercised by KMP, Mr Kim Massey and Mr Paul Thomas.

In February 2022, 1,275,000 Mar 2020 Performance rights were exercised by employees.

and in February 2023, 975,000 Performance rights were exercised.

In February 2022, 200,000 of the Mar 2020 Performance rights were forfeited due to the resignation of an employee in accordance with the Performance rights plan.

In September 2022, 2,000,000 of the Dec 2019 Performance rights were exercised by KMP, Mr Kim Massey and Mr Paul Thomas.

In February 2023, 975,000 Mar 2020 Performance rights were exercised by employees.

There are no Performance rights remaining from the Financial year 2020.

Financial year 2021

In October 2020, 325,000 Performance rights were granted to employees of the Company under the Group's Performance Rights Plan. 50% of rights will vest on 30 September 2022 and the remaining rights will vest on 30 September 2023.

In June 2021, 400,000 Performance rights were granted to employees of the Company under the Group's Performance Rights Plan. 200,000 rights will vest in equal proportions on 18/1/2023 and 18/1/2024 and the remaining 200,000 Performance will vest in equal proportions on 29 March 2023 and 29 March 2024.

The performance condition for the FY2021 Performance rights was continued employment with the Company for the performance period.

The fair value of the Performance rights granted during Financial year 2021 was $1,351,250. The fair value at the grant date was estimated using a Black Scholes option pricing model.

The table below details the terms and conditions of the grants and the assumptions used in estimating the fair value:

Item	*Issue 1*	*Issue 2*	*Issue 3*
Grant date	19 Oct 2020	16 Jun 2021	16 Jun 2021
Value at grant date	$1.77	$1.94	$1.94
Exercise price	nil	nil	nil
Dividend yield	0%	0%	0%
Risk free rate	0.13% - 0.14%	0.04% - 0.14%	0.04% - 0.14%
Volatility	95% - 123%	91% - 118%	91% - 118%
Performance period (yrs)	1.95 - 2.95	1.59 - 2.59	1.59 - 2.59
Test date	30/09/22 & 30/09/23	18/01/23 & 18/01/24	29/03/23 & 29/03/24
Remaining performance period (yrs)	0.25	0.75	0.75
Weighted average fair value	$1.77	$1.94	$1.94

In December 2022, 12,500 Oct 2020 Performance rights were exercised, and in February 2023, 100,000 of the Oct 2020 Performance rights were exercised.

In May 2023, 200,000 Jun 2021 (Issue 2 and 3) Performance rights were exercised.

In March and April 2022, 100,000 Oct 2020 Performance rights were forfeited due to the resignations of employees in accordance with the Performance Rights Plan.

There are 312,500 Performance rights remaining from Financial year 2021.

Financial year 2022

In October 2021, 279,818 Performance rights were granted to KMP, Mr Kim Massey and Mr Paul Thomas under the Group's Performance Rights Plan, 50% of the rights will vest on 30 June 2023 and the remaining rights will vest on 30 June 2024.

In November 2021, 240,000 Performance rights were issued to KMP, Mr Clark under the Group's Performance Rights Plan, 50% of the rights will vest on 4 October 2022 and the remaining rights will vest on 4 October 2023.

In December 2021:

- 249,000 Performance rights were issued to employees under the Group's Performance Rights Plan. A third of the rights will vest on 10 December 2022, another third on 10 December 2023 and the remaining rights will vest on 10 December 2024;
- In December 2021, 1,032,000 Performance rights were issued to employees under the Group's Performance Rights Plan. 50% of the rights will vest on 10 December 2023 and the remaining rights will vest on 10 December 2024; and
- In December 2021 40,000 Performance rights were issued to employees under the Group's Performance Rights Plan. All of the rights will vest on 10 December 2024.

The performance conditions for Issues 1, 2 and 5 of the FY2022 Performance rights was the Company's relative total shareholder return ("TSR") measured against the TSR's of 12 comparator mining companies and continued employment with the Company for the performance period.

The performance condition for Issues 2, 4, 5 and 6 of the FY2022 Performance rights was continued employment with the Company for the performance period.

The fair value of the Performance rights granted during Financial year 2022 was $6,948,177.

The fair value at the grant date was estimated using a Monte Carlo simulation (Issue 1 & 3), and a Black Scholes option pricing model (Issue 3, 4 & 5).

The table below details the terms and conditions of the grants and the assumptions used in estimating the fair value:

Item	*Issue 1*	*Issue 2*	*Issue 3*	*Issue 4*	*Issue 5*
Grant date	4 Oct 2021	24 Nov 2021	10 Dec 2021	10 Dec 2021	10 Dec 2021
Value at grant date	$2.18	$2.95	$3.10	$3.10	$3.10
Exercise price	nil	nil	nil	nil	nil
Dividend yield	0%	0%	0%	0%	0%
Risk free rate	0.05% - 0.27%	0.54%	1.32%	1.32%	1.32%
Volatility	50%	50%	72% - 106%	72% - 106%	106%
Performance period (yrs)	2.00 – 3.00	1.00 – 2.00	1.00 – 3.00	2.00 – 3.00	3.00
Test date	30/6/23 & 30/06/24	4/10/22 & 4/10/23	10/12/22, 10/12/23 & 10/12/24	10/12/23 & 10/12/24	10/12/24
Remaining performance period (yrs)	0.00-1.00	0.26	0.45 – 1.45	0.45 - 1.45	1.45
Weighted average fair value	$1.83	$2.11	$3.10	$3.10	$3.10

In December 2022, 120,000 Nov 2021 Performance rights were issued to KMP, Mr Mark Clark.

In December 2022 83,000 Dec 2021 (Issue 3) Performance rights were exercised by KMP, Mr Mark Clark.

In June 2023, 148,000 Dec 21 (Issue 3) Performance rights were forfeited due to the resignation of employees in accordance with the Performance Rights Plan.

There are 1,489,818 Performance rights remaining from Financial year 2022.

Financial year 2023

In November 2022, 542,490 Performance rights were issued to employees under the Group's Performance Rights Plan. 100% of the rights vested on 31 October 2022.

In November 2022, 161,414 Performance rights were issued to KMP, Mr Clark under the Group's Performance Rights Plan. 50% of the rights will vest on 30 June 2024 and the remaining rights will vest on 30 June 2025.

During FY23, 216,400 Performance rights were granted to KMP, Mr Kim Massey and Mr Paul Thomas under the Group's Performance Rights Plan. 50% of the rights will vest on 30 June 2024 and the remaining rights will vest on 30 June 2025.

The performance condition for the FY2023 Performance rights was continued employment with the Company for the performance period.

The fair value of the Performance rights granted during Financial year 2023 was $2,947,423.

The fair value at the grant date was estimated using a Monte Carlo simulation (Issue 2 and 3), and a Black Scholes option pricing model (Issue 1).

The table below details the terms and conditions of the grants and the assumptions used in estimating the fair value:

Item	*Issue 1*	*Issue 2*	*Issue 3*
Grant date	26 Oct 2021	29 Nov 2022	19 Jun 2023
Value at grant date	$3.36	$4.21	$4.23
Exercise price	Nil	Nil	nil
Dividend yield	0%	0%	0%
Risk free rate	0.54%	3.18%	4.14%
Volatility	50%	50%	50%
Performance period (yrs)	1.00	2.00-3.00	2.00 – 3.00
Test date	31/10/2022	30/06/24 & 30/06/25	30/6/24 & 30/6/25
Remaining performance period (yrs)	-	1.00-2.00	1.03-2.03
Weighted average fair value	$3.38	$3.25	2.72

In December 2022, 542,490 Oct 2021 Performance rights were exercised by employees.

There are 161,414 Performance rights remaining from Financial year 2023.

Key estimates and judgements – Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in Note 24.

The fair value of performance rights is determined by the share price at the date of valuation and consideration of the probability of the market vesting condition being met.

30. RELATED PARTY DISCLOSURES

Key Management Personnel Remuneration

KMP remuneration has been included in the Remuneration Report section of the Directors Report for current KMP only.

Total remuneration paid to current and former KMP of the Group	2023 $	2022 $
Short term benefits	2,282,875	2,037,500
Other service fees	616,000	585,000
Non-cash benefits	12,885	28,041
Post-employment benefits	127,025	119,587
Annual leave	175,275	155,038
Share based payments	1,050,100	1,750,493
Termination payments	-	-
	4,264,160	4,675,659

Ultimate Parent

Capricorn Metals Ltd is the ultimate parent entity of the Group.

Controlled Entities

The consolidated financial statements include the financial statements of the Parent and the subsidiaries set out in the following table:

			Ownership (%)	
Subsidiaries	Country	Principal activity	2023	2022
Mining Services SARL	Madagascar	Exploration Services	100%	100%
St Denis Holdings SARL	Madagascar	Commercial Property	100%	100%
MGY Mauritius Ltd	Mauritius	Investment Holding	100%	100%
Malagasy Graphite Holdings Ltd	Australia	Investment Holding	100%	100%
Greenmount Resources Pty Ltd	Australia	Production	100%	100%
Crimson Metals Pty Ltd	Australia	Exploration	100%	100%
Metrovex Pty Ltd	Australia	Exploration	100%	100%

The subsidiaries noted above are all controlled entities and are dependent on the parent entity for financial support.

Transactions with Related Parties

As at 30 June 2023, the net loans from the Parent to its subsidiaries totals $122,692,000 (2022: $131,882,000). This is made up of loans to subsidiaries of $130,422,000 (2022: $139,620,000) with a provision for impairment of $7,730,000 (2022: $7,738,000).

Subsidiaries	Loan $'000	Provision for impairment $'000	Carrying value $'000
Mining Services SARL	452	(452)	-
MGY Mauritius Ltd	2,980	(463)	2,517
Malagasy Graphite Holdings Ltd	6,815	(6,815)	-
Greenmount Resources Pty Ltd	90,460	-	90,460
Crimson Metals Pty Ltd	29,693	-	29,693
Metrovex Pty Ltd	22	-	22
	130,422	(7,730)	122,692

There are no other transactions between related parties within the Group.

31. PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position	2023 $'000	2022 $'000
Assets		
Current assets	4,706	4,385
Non-current assets	177,222	167,203
Total Assets	181,928	171,588
Liabilities		
Current liabilities	1,003	3,176
Non-current liabilities	865	904
Total Liabilities	1,868	4,080
Shareholders' equity		
Issued capital	203,422	202,997
Reserves	4,188	7,149
Accumulated losses	(27,550)	(42,638)
Total Shareholders' Equity	180,060	167,508

Statement of comprehensive income	2023 $'000	2022 $'000
Net loss attributable to members of the parent entity	(10,514)	(13,388)
Other comprehensive income for the period	-	-
Total comprehensive loss for the year attributable to members of the parent entity	(10,514)	(13,388)

The Parent entity has not entered into any contractual commitments for the acquisition of property plant and equipment at the date of this report.

32. DEED OF CROSS GUARANTEE

Capricorn Metals Ltd and its subsidiaries are parties to a Deed of cross guarantee under which each company guarantees the debts of the others.

By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

- Capricorn Metals Ltd
- Greenmount Resources
- Crimson Metals Pty Ltd
- Metrovex Pty Ltd
- Malagasy Graphite Holding Pty Ltd

The above companies represent a 'closed group' for the purpose of the Legislative instrument, and as there are no other parties to the Deed of cross guarantee that are controlled by Capricorn Metals Ltd, they also represent the 'extended closed group'.

33. COMMITTMENTS

The Group has physical gold delivery commitments and exploration expenditure commitments which are disclosed in Notes 2 and 14 respectively.

34. CONTINGENT LIABILITIES

As at 30 June 2023 Capricorn Metals Ltd has bank guarantees totalling $386,000 (2022: $478,000), refer to Note 8.

As at 30 June 2023 the Group has a $4 million (2022: $10 million) Bank Guarantee Facility with Macquarie under the existing Project Loan Facility in relation to the lateral pipeline that links Goldfields Gas Pipeline to the KGP.

35. AUDITORS REMUNERATION

Amount payable to KPMG Australia	2023 $	2022 $
Audit and review of financial statements – Group	130,000	130,000
Audit and review of financial statements – controlled entities	-	15,000
Audit and review of financial statements – controlled entities	**130,000**	**145,000**

Amounts payable to other audit firms for the audit and review of the financial reports of subsidiary companies was $2,253 (2022: $1,688).

36. SUBSEQUENT EVENTS

There were no material events arising subsequent to 30 June 2023, to the date of this report which may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in the future.

37. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2023 but have not been applied in preparing this financial report. Except where noted, the Group has evaluated the impact of the new standards and interpretations listed below and determined that the changes are not likely to have a material impact on its financial statements.

AASB 2020-3 Amendments to Australia Accounting Standards – Annual Improvements 2018-2020 & Other Amendments

The subject of the principal amendments to the Standards are set out below:

AASB 1 First-time Adoption of Australian Accounting Standards

The amendment allows a subsidiary that becomes a first-time adopter after its parent to elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition, if no adjustment were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendments require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.

Application date of Standard: 1 January 2023 Application date for Group: 1 July 2023

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.

Application date of Standard: 1 January 2023 Application date for Group: 1 July 2023

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction

The amendments clarify the accounting for deferred tax on transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences.

Application date of Standard: 1 January 2023 Application date for Group: 1 July 2023

1. In the opinion of the Directors of Capricorn Metals Ltd:

   (a) The consolidated financial statements, notes and additional disclosures included in the directors' report designated as audited of the Company and Group, are in accordance with the Corporations Act 2001 and:

      (i) comply with Australian Accounting Standards and the Corporations Regulations 2001; and

      (ii) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company and Group.

   (b) There are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable, and

   (c) At the date of this declaration there are reasonable grounds to believe that the members of the extended closed group identified in Note 32 will be able to meet any obligations or liabilities to which there are, or may become, subject by virtue of the deed of cross guarantee described in Note 32.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Financial Controller for the financial year ended 30 June 2023.

3. The Directors draw attention to the notes to the consolidated financial statements, which include a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Mr Mark Clark

Executive Chairman

Perth, Western Australia

7 September 2023

Independent Auditor's Report

To the shareholders of Capricorn Metals Ltd

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Capricorn Metals Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG

Gold forward restructure	
Refer to Note 4 *Net Finance Costs and* Note 22 *Other Financial Liabilities* in the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group recognised a realised loss of $33.1 million on partial termination of gold forwards ('gold forward restructure') and a fair value loss of $83.2 million on the remaining gold forwards, now recognised as other financial liabilities at 30 June 2023. The forward contracts previously qualified as future inventory sales contracts, with sales recognised as revenue at the time of sale, also known as the own use exemption. The partial termination led to a change in accounting for the remaining gold forwards which are now recognised at fair value through profit and loss. The recognition of these losses was a key audit matter due to: • the significance of the gold forward restructure to the income statement and liabilities of the Group; • the judgment required to assess the accounting treatment of the remaining gold forwards; and • the judgement required in the valuation of the remaining gold forwards as at 30 June 2023. We involved valuation specialists to supplement our senior team members in assessing this key audit matter.	Our procedures included: • Compared the inputs of each gold forward to confirmations obtained from counterparties; • Checked the partial termination of the gold forwards to source documentation including bank statements; • With the assistance of technical specialists we assessed the accounting treatment of the gold forward restructure against accounting standard requirements which resulted in the recognition of the fair value loss; • With the assistance of valuation specialists, we independently estimated the fair values of the Group's gold forwards as at 30 June 2023 using recognised market valuation methodologies and inputs. We compared the Group's valuations recorded in the general ledger to these fair value ranges; and • We evaluated the appropriateness of the classification and the presentation of the open gold forwards and the related risk management disclosures against accounting standard requirements.

Other Information

Other Information is financial and non-financial information in Capricorn Metals Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report. The Chairman's letter to shareholders, Company Highlights, Reserves & Resources report, ESG report and ASX additional information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of *Capricorn Metals Ltd* for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 33 to 43 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

R Gambitta
Partner

Perth

7 September 2023

ASX additional information

As at 18 September 2023 the following information applied:

1. Securities

a) Fully paid ordinary shares

The voting rights attached to the ordinary shares are governed by the Constitution.

On a show of hands, every person present, who is a Member or representative of a Member shall have one vote and, on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the Performance rights have any voting rights.

Size of holding	Number of Shareholders	Number of Shares	Percentage %
1 - 1,000	1,447	630,599	0.17%
1,001 - 5,000	1,085	2,870,310	0.76%
5,001 - 10,000	350	2,742,258	0.73%
10,001 - 100,000	593	19,299,502	5.13%
100,001 and over	159	350,415,507	93.21%
Total	**3,634**	375,958,176	100.00%

There are 197 Shareholders with less than a marketable parcel at a price of $4.41, totalling 7,406 shares.

b) Top 20 shareholders

Name	Number of Fully Paid Ordinary Shares Held	Percentage %
HSBC Custody Nominees (Australia) Limited	98,605,602	26.23%
Citicorp Nominees Pty Limited	48,972,407	13.03%
J P Morgan Nominees Australia Pty Limited	39,716,779	10.56%
Samoz Pty Ltd <Clark Family A/C>	21,846,154	5.81%
National Nominees Limited	13,829,397	3.68%
BNP Paribas Noms Pty Ltd <DRP>	12,217,521	3.25%
Rollason Pty Ltd <The Giorgetta S/Plan A/C>	9,148,299	2.43%
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	7,608,318	2.02%
Mutual Investments Pty Ltd	6,283,360	1.67%
Piama Pty Ltd	6,200,000	1.65%
Mr Glyn Evans & Mrs Thi Thu Van Evans	5,396,049	1.44%
Macquarie Bank Limited <Metals Mining and Ag A/C>	5,000,000	1.33%
Liberty Management Pty Ltd <The Liberty Super Fund A/C>	4,615,385	1.23%
Nedlands Nominees Pty Ltd <Windandsea Investments A/C>	4,057,385	1.08%
Topaz Holdings Pty Ltd <Myles K Ertzen Family A/C>	3,611,539	0.96%
Cenquest Pty Ltd <Blue Cow Investment A/C>	2,525,000	0.67%
Mr Kim Andrew Massey <Massey Family A/C>	2,153,847	0.57%
Stephen Grant Evans <Parsec Investment A/C>	2,017,752	0.54%
Liberty Management Pty Ltd <Liberty A/C>	2,000,000	0.53%
Third Reef Pty Ltd	2,000,000	0.53%
Avenger Projects Ltd	1,865,000	0.50%
Top 20 shareholders	299,669,794	79.71%
Total issued capital	375,958,176	100.00%

c) Unlisted options

The Company has no unlisted options on issue.

d) Unlisted performance rights

Performance rights issued under employee incentive scheme	Number of Option Holders	Number of Options
Unvested FY2021 Performance rights (Test date: 30 Sep 2023)	2	112,500
Unvested FY2021 Performance rights (Test date: 18 Jan 2024)	1	100,000
Unvested FY2021 Performance rights (Test date: 29 Mar 2024)	1	100,000
Unvested FY2022 Performance rights (Test date: 4 Oct 2023)	1	120,000
Unvested FY2022 Performance rights (Test date: 30 Jun 2023)	2	139,909
Unvested FY2022 Performance rights (Test date: 30 Jun 2024)	2	139,909
Unvested FY2022 Performance rights (Test date: 10 Dec 2023)	27	525,000
Unvested FY2022 Performance rights (Test date: 10 Dec 2024)	29	565,000
Unvested FY2022 Performance rights (Test date: 30 Jun 2024)	1	80,907
Unvested FY2023 Performance rights (Test date: 30 June 2025)	1	80,907
Total	**67**	**1,963,732**

Performance rights do not carry a right to vote. Voting rights will be attached to the unissued shares when the performance rights have been exercised.

2. Substantial shareholders

The names of the substantial shareholders listed in the Company's share register as at 18 September 2023 were:

Shareholder	Number of Shares	Percentage %
Van Eck Associates Corporation	38,873,015	10.40
Paradice Investment Management Pty Ltd	28,956,451	7.74
Samoz Pty Ltd <Clark Family A/C>	22,052,000	5.99
Total	**89,881,466**	**24.13**

3. On market buy-back

There is currently no on-market buy-back in place.

4. Corporate governance

The Company's corporate governance statement can be found at the following URL:
http://capmetals.com.au/corporate/corporate-governance/

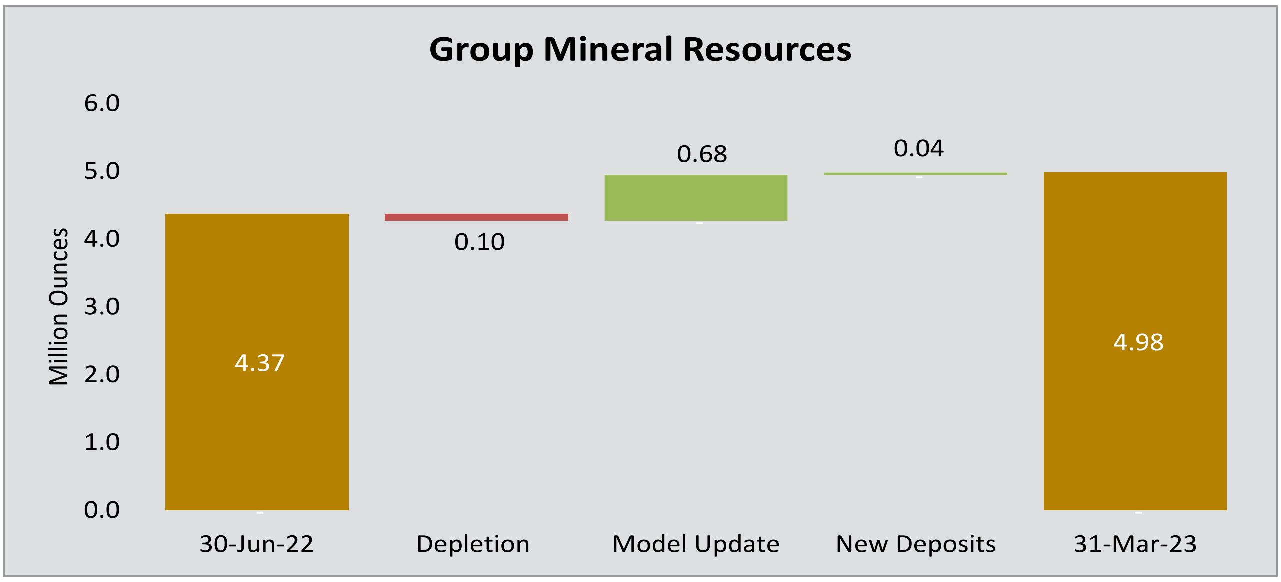
5. Mineral Resources & Ore Reserves

Group Mineral Resources

The JORC compliant Group Mineral Resources (inclusive of Ore Reserves) as at 31 March 2023 are estimated at 202.2 million tonnes at 0.8g/t Au for 4.98 million ounces of gold compared with the estimate at 30 June 2022 of 179.0 million tonnes at 0.8g/t Au for 4.37 million ounces of gold.

The re-estimation of Group Mineral Resources resulted in a 13% increase in tonnes and 14% increase in ounces.

The increase in the Group Mineral Resources is primarily due to the results of the drilling programme completed during the year at Mt Gibson Gold Project ('MGGP'). The Karlawinda Gold Project ('KGP') Resource has been updated to include satellite resources at KGP East and to reflect mining depletion.



Mineral Resources are reported inclusive of Ore Reserves and include all exploration and resource definition drilling information, where practicable, up to 31 March 2023 and have been depleted for mining to 31 March 2023.

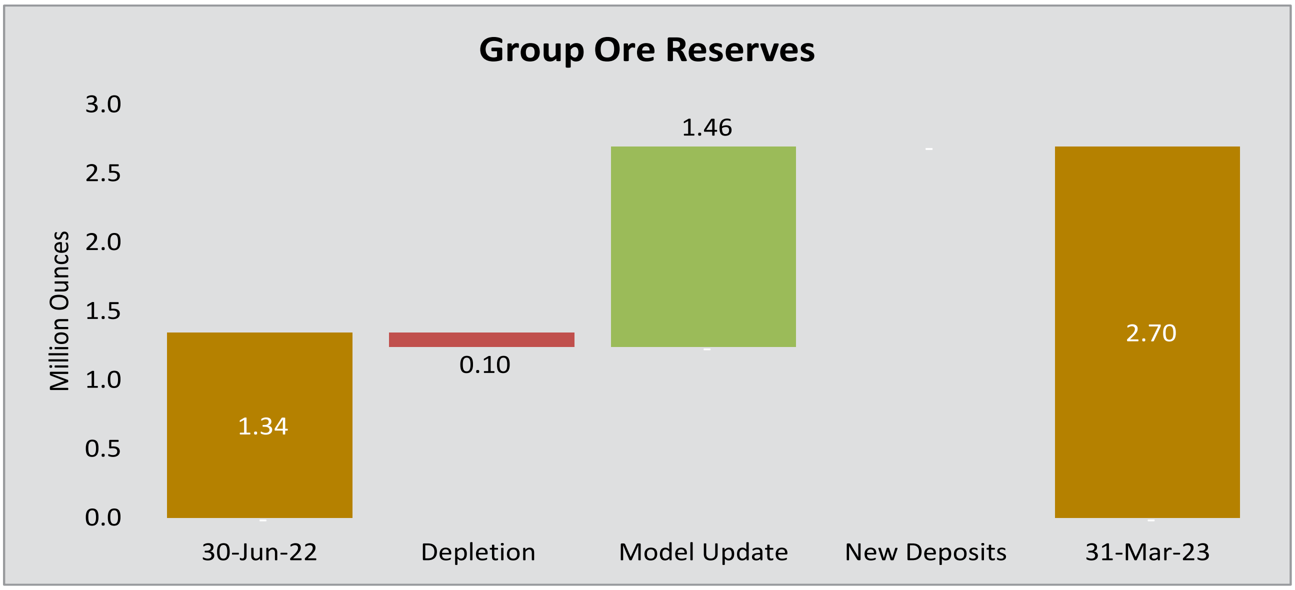
Mineral Resources are constrained by optimised open pit shells developed with operating costs and long-term gold price assumptions of A$2,200 per ounce.

Group Ore Reserves

The JORC compliant Group Ore Reserves as at 31 March 2023 are estimated at 97.9 million tonnes at 0.9g/t Au for 2.70 million ounces of gold compared with the estimate at 30 June 2022 of 53.0 million tonnes at 0.8g/t Au for 1.34 million ounces of gold.

The re-estimation of the Group Ore Reserves resulted in an 85% increase in tonnes and 101% increase in ounces.

The increase in Ore Reserves is primarily due to the inclusion of the MGGP Maiden Ore Reserve Estimate ('ORE') of 48.7 million tonnes @ 0.9g/t Au for 1.45 million ounces. The KGP ORE has been updated to reflect mining depletion and a modest model update incorporating in pit drilling only.



Karlawinda Gold Project ('KGP')

Mineral Resources

The KGP JORC compliant Mineral Resource as at 31 March 2023 is 97.4 million tonnes at 0.7g/t Au for 2.23 million ounces, compared to 99.2 million tonnes at 0.7g/t Au for 2.29 million ounces at 30 June 2022.

The change in the KGP Mineral Resource from June 2022 to March 2023 reflects a 2% decrease in Mineral Resource tonnes and a 3% decrease in Mineral Resource ounces.

Ore Reserves

The KGP JORC compliant Ore Reserve as at 31 March 2023 is 49.2 million tonnes at 0.8g/t Au for 1.25 million ounces, compared to 53 million tonnes at 0.8g/t Au for 1.34 million ounces at 30 June 2022.

The inclusion of recent in-pit drilling results and mining depletion at KGP resulted in a 7% decrease in Ore Reserve tonnes and 7% decrease in Ore Reserve ounces.

Mt Gibson Gold Project ('MGGP')

Mineral Resources

The MGGP JORC compliant Mineral Resource at 31 March 2023 is 104.9 million tonnes at 0.8g/t Au for 2.75 million ounces, compared to 79.7 million tonnes at 0.8g/t Au for 2.083 million ounces at 30 June 2022.

The change in the MGGP Mineral Resource from June 2022 to March 2023 reflects a 32% increase in Mineral Resource tonnes and a 32% increase in Mineral Resource ounces.

Ore Reserves

A maiden JORC compliant Ore Reserve Estimate was completed at the MGGP in April 2023.

The maiden MGGP JORC compliant Ore Reserve as at 30 June 2023 is 48.7 million tonnes at 0.9g/t Au for 1.45 million ounces.

Governance arrangements and internal controls

The Company has put in place governance arrangements and internal controls with respect to its estimates of Mineral Resources and Ore Reserves and the estimation process, including:

- oversight and approval of each annual statement by responsible senior officers;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;
- annual reconciliation with internal planning to validate reserve estimates for operating mines; and
- board approval of new and materially changed estimates.

Group Mineral Resources as at 31 March 2023

Gold			Measured			Indicated			Inferred			Total Resources		
Deposit	Type	Cut-off (g/t)	Tonnes (Mt)	Grade (g/t)	Metal (koz)	Tonnes (Mt)	Grade (g/t)	Metal (koz)	Tonnes (Mt)	Grade (g/t)	Metal (koz)	Tonnes (Mt)	Grade (g/t)	Metal (koz)
Bibra	Open pit		-	-	-	50.3	0.8	1,277	4.7	0.7	106	55.0	0.8	1,383
Southern corridor	Open pit		-	-	-	22.4	0.7	476	11.5	0.6	230	34.0	0.6	706
Easky	Open pit		-	-	-	3.0	0.5	47	0.7	0.5	11	3.6	0.5	57
KGP East	Open pit					1.3	0.8	33	0.1	0.9	2	1.4	0.8	35
Stockpiles	Stockpiles		-	-	-	3.4	0.4	47	-	-	-	3.4	0.4	47
KGP Total		**0.3<**	**-**	**-**	**-**	80.4	0.7	1,880	17.0	0.6	349	97.4	0.7	2,228
Mt Gibson	Laterite					-	-	-	4.2	0.8	79	4.2	0.6	79
Mt Gibson	Oxide		-	-	-	8.3	0.8	217	0.6	0.8	16	9.0	0.8	233
Mt Gibson	Transitional		-	-	-	9.8	0.8	253	1.1	0.8	29	10.9	0.8	281
Mt Gibson	Fresh		-	-	-	57.8	0.9	1,636	23.0	0.8	526	80.9	0.8	2,162
MGGP Total [4]		**0.4<**	**-**	**-**	**-**	76.0	0.9	2,106	28.9	0.7	649	104.9	0.8	2,755
GROUP TOTAL						**156.4**	**0.8**	**3,986**	**45.9**	**0.7**	**998**	**202.2**	**0.8**	**4,983**

Notes:
1. *Mineral Resources are estimated using a gold price of A$2,200/ounce*
2. *Mineral Resources are estimated using a cut-off grade between 0.3g/t and 0.4g/t Au.*
3. *The above data has been rounded to the nearest 100,000 tonnes, 0.1 g/t gold grade and 1,000 ounces. Errors of summation may occur due to rounding.*
4. *As reported 19th April 2023*

Group Ore Reserves as at 31 March 2023

Gold			Proved			Probable			Total Reserves		
Deposit	Type	Cut-off (g/t)	Tonnes (Mt)	Grade (g/t)	Metal (koz)	Tonnes (Mt)	Grade (g/t)	Metal (koz)	Tonnes (Mt)	Grade (g/t)	Metal (koz)
Bibra	Open pit	0.3<	-	-	-	35.1	0.8	960	35.1	0.8	960
Southern corridor	Open pit	0.3<	-	-	-	10.7	0.7	240	10.7	0.7	240
Stockpiles	Stockpiles	0.3<	-	-	-	3.4	0.4	47	3.4	0.4	47
KGP Total			**-**	**-**	**-**	49.2	0.8	1,247	49.2	0.8	1,247
MGGP[5]	Open pit	0.3<	-	-	-	48.7	0.9	1,450	48.7	0.9	1,450
GROUP TOTAL			**-**	**-**	**-**	**97.9**	**0.9**	**2,697**	**97.9**	**0.9**	**2,697**

Notes:
1. *Ore Reserves are a subset of Mineral Resources.*
2. *Ore Reserves are estimated using a gold price of A$1900/ounce.*
3. *Ore Reserves are estimated using a cut-off grade between 0.3g/t and 0.4g/t Au.*
4. *The above data has been rounded to the nearest 100,000 tonnes, 0.1 g/t gold grade and 1,000 ounces. Errors of summation may occur due to rounding.*
5. *As reported 19th April 2023.*

Competent Persons statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr. Jarrad Price who is General Manager of Geology and an employee of the Company. Mr. Jarrad Price is a current Fellow of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Price consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Quinton de Klerk. Mr de Klerk is a full-time employee of Cube Consulting Pty Ltd and is a Fellow of the Australian Institute of Mining and Metallurgy. Mr de Klerk has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. de Klerk consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Capricorn Metals confirms that it is not aware of any new information or data that materially affects the information included in the previous ASX announcements on Mineral Resources and Metallurgy (27/07/2023) and, in the case of estimates of Mineral Resources, Ore Reserves, Plant operating costs and Metallurgy, all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from previous market announcements. The announcements are available to view on the ASX website and on the Company's website at www.capmetals.com.au.

Forward looking statements

This report 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. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, estimated costs, revenues and reserves, the construction costs of new projects and projected capital expenditures, the outlook for minerals and metals prices and the outlook for economic conditions and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage". 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 report 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 Risks section of this report, as well as the Company's other announcements. 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 report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Tenement Schedule

Lease	Project	Company	Location	Status	Percentage Held
M52/1070	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/1711	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2247	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2398	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/2409	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3323	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3363	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3364	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3450	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3474	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3531	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3533	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3541	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3543	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3571	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3656	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3671	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3677	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3729	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3797	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
E52/3808	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/174	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/177	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/178	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/179	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/181	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/183	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/189	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/192	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/197	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/223	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/224	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
L52/248	Karlawinda	Greenmount Resources Pty Ltd	Western Australia	Granted	100%
M59/328	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/402	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/403	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/404	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
M59/772	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2439	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2450	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2594	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2606	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
E59/2655	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2286	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2287	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2290	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2291	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2306	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
P59/2309	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%

P59/2310	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/140	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/198	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/45	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/46	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
L59/53	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/11	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/12	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/13	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/14	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/15	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/16	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/17	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/18	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/48	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%
G59/70	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Granted	100%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