

26 June 2023

ASX:CMM



PARTIAL CLOSURE OF GOLD HEDGE BOOK GIVES CAPRICORN ADDITIONAL GOLD PRICE UPSIDE

Capricorn Metals Limited (**Capricorn** or the **Company**) is pleased to advise that it has reduced its gold hedge book by 51,000 ounces to provide further exposure to any increase in the A\$ gold price over the next 15 months.

The gold hedging contracts closed were as follows:

Gold Hedging Contracts Closed		
Maturity	Volume (Ounces)	Price (A\$/oz)
30/09/2023	13,000	2,295
31/12/2023	13,000	2,247
31/03/2024	13,000	2,247
30/06/2024	12,000	2,250
	51,000	

The closure of this gold hedging results in Capricorn having no gold hedging delivery obligations until 30 September 2024.

The cost of closure at a spot price of A\$2,860 per ounce was \$36.78 million, paid out of Capricorn's cash and bullion holdings of \$120 million (31 March 2023). The cost included the purchase of gold put options (for the same volume and maturity as the closed hedge contracts) as follows:

Gold Put Options Purchased		
Maturity	Volume (Ounces)	Strike Price (A\$/oz)
30/09/2023	13,000	2,810
31/12/2023	13,000	2,810
31/03/2024	13,000	2,810
30/06/2024	12,000	2,810
	51,000	

The purchased put options give Capricorn the right (but not the obligation) to sell the previously hedged ounces at a price of A\$2,810 per ounce. This allows Capricorn full participation if the gold price is higher than the strike price on the date of maturity of each put option.

Having closed 51,000 ounces of hedging at a spot price of A\$2,860 per ounce, every A\$50 per ounce increase in the gold price above \$2,860/oz enhances revenue on the previously hedged production by \$2.55 million. The revenue downside on these ounces (relative to A\$2,860/oz) is limited to a maximum of \$2.55 million by the purchase of the A\$2,810/oz put options.

Capricorn's gold forward sales commitments have been reduced to 107,000 ounces at an average delivery price of A\$2,327 per ounce, maturing from September 2024 to December 2026. This represents less than 8% of gold reserves at the operating Karlawinda Gold Project and less than 4% of Capricorn total gold reserves*.

* For full disclosure of CMM Reserves refer to ASX announcement released on 19 April 2023

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

For further information, please contact:

Mr Mark Clark
Executive Chairman
E: enquiries@capmet.com.au
T: +61 8 9212 4600

Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions are disclosed.

However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Such risks include, but are not limited to resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as governmental regulation and judicial outcomes.

For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.