



Environmental,
Social and
Governance Report

2023

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 Niyiyaparli, 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

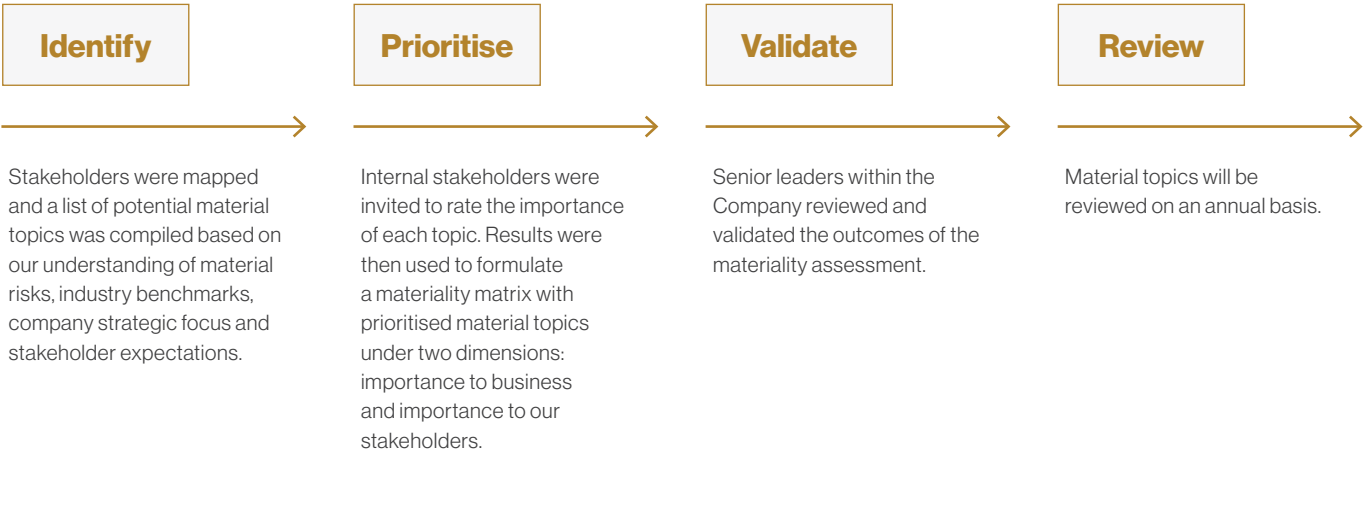


STAKEHOLDER GROUP	PRIORITIES	ENGAGEMENT
Internal stakeholders		
Employees and contractors	A safe and healthy workplace; employee retention and development; professional development and training opportunities	Regular communication and consultation; Training and development programs
Board	Prudent and transparent 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
Niyiyaparli, 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.



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 Murchison 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.

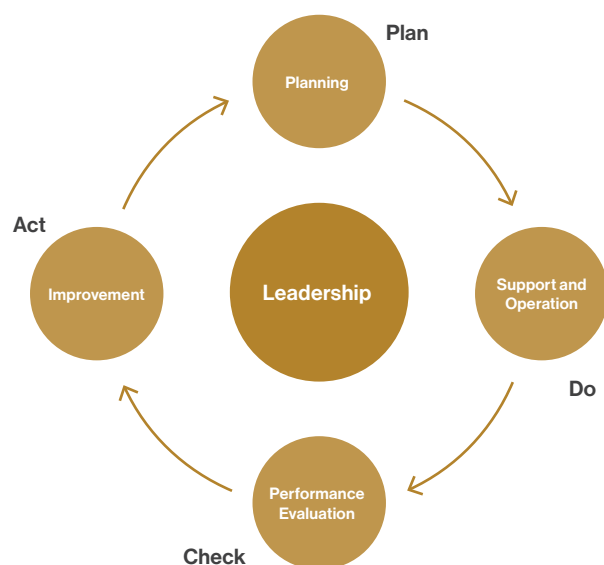
Environmental Management System

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.



Environmental, social and governance report

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.



Environmental, social and governance report

Water management performance at the KGP

Water withdrawal	FY23
Surface water withdrawn	Nil
Borefield water withdrawn	3,182,693m ³
De-watering	192,540m ³
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	34,685m ³
Reused water	FY23
Tailing decant return	2,665,578 m ³
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*.



Environmental, social and governance report

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.



Environmental, social and governance report

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.

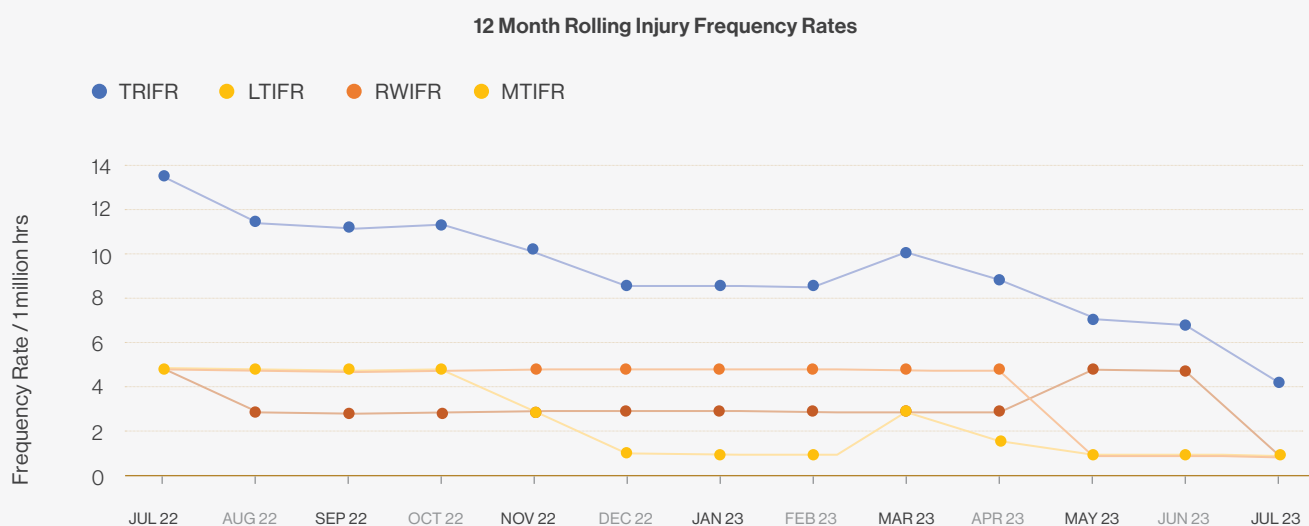
Health & Safety Management System

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 (LTIFR).

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 1,000,000 hours worked.



Environmental, social and governance report

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.



WEEKLY MEDICAL CLINIC

Every Friday from 4pm-6pm at the Village Clinic

The medical team will be offering individualised support with:

- Weight management
- Nutritional advice
- Blood pressure monitoring
- Smoking & Vaping management
- Alcohol consumption awareness
- Hydration monitoring
- Logistical guiding for government funded cancer screening
- Mental health support

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 Niyiyaparli people entered into in 2016 to include newly granted and acquired tenements for our KGP. The Niyiyaparli 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.



Environmental, social and governance report

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).

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

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.**

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



Environmental, social and governance report

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

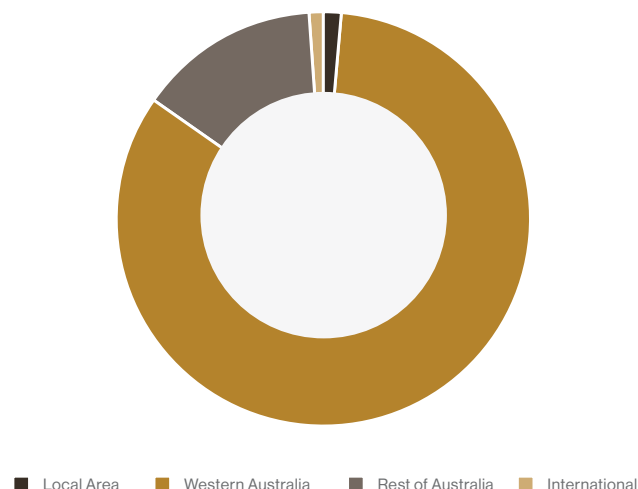
Capricorn is committed to supporting the communities in which we operate and is a significant contributor to the Australian economy.

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

Environmental, social and governance report

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.



