ANNUAL REPORT 2021

CAPRICORN METALS LTD

ABN

84 121 700 105

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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Auditor

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Securities Exchange Listing

Australian Securities Exchange

ASX Code

CMM

Contents

Dear Shareholder

It is with pleasure that I write to you after what has been a transformational year for Capricorn. By the end of the financial year the Company had achieved its goal of transitioning from explorer to gold producer with first gold poured at Karlawinda in late June 2021.

Our construction team and key contractors have done a great job in achieving this milestone on time and on budget against the significant headwinds of COVID-19, adverse weather and skilled labour shortages.

The transition of the project to full operations is progressing rapidly. Within two months from first gold pour Karlawinda is closing in on full steady state operations. The project is already generating strong positive cashflow underlining the potential to deliver robust returns for Capricorn shareholders for many years to come.

As the project moves towards steady state production, we turn our attention to the significant exploration opportunity at Karlawinda. Over the last twelve months we have built up a good geological understanding of our regional tenement package and have undertaken extensive first pass exploration work. That work has generated several prospective drill targets and programmes have been planned to test these targets in the current year. We are very conscious that a new discovery within trucking distance of the processing plant would add significant value for the Company.

We have also been active in pursuing our goal of growing Capricorn beyond the Karlawinda project. Shortly after the end of the financial year we announced the acquisition of the Mt Gibson Gold Project. The project has a JORC compliant resource of 2.1 million ounces, is located just 280km northeast of Perth in WA and has been subject to very limited modern exploration. At an acquisition cost of less than $20 per resource ounce, the transaction represents an excellent value creation opportunity and provides an outstanding platform for Capricorn to grow in to an Australian focused multi mine gold company.

We look forward to undertaking an extensive infill and extensional drilling programme at Mt Gibson over the next 12 months to allow an update to the current resource and in due course completion of a Reserve estimate and feasibility study. We are excited about the long-term potential of the project.

I would like to thank all Capricorn management, staff and contractors for their significant contributions to the business over the last twelve months. It is through their continued efforts that Capricorn has been able to become a gold producer and lay the foundation for a strong future for the Company.

Finally, I would like to thank you, the shareholders for your continued support and look forward to an exciting year ahead.

Mark Clark

Executive Chairman

The Directors of Capricorn Metals Ltd ("Capricorn" or the "Company") provide the following operations review.

Highlights

Karlawinda Gold Project

- Construction of the Karlawinda Gold Project ("KGP") completed on time and on budget in June 2021 with first 386 ounces of gold poured on 30 June 2021.
- Project rapidly transitioning to steady state operations in September 2021 quarter with commissioning and optimisation activities expected to be completed by the end of the September 2021 quarter.

Corporate

- Cash position at 30 June 2021 was $10.3 million, Macquarie Bank Limited ("Macquarie") debt facility was drawn to $70 million (with a further $10 million available).
- First gold sale of 1,477 ounces at $2,450 per ounce for $3.6 million achieved in early July 2021.
- Appointment of experienced metallurgist Mr Bernard De Araugo to the Board as non-executive director.
- Investment of $1.2 million (11.68% interest) in gold and base metals explorer DiscovEx Resources Limited (ASX: DCX) which holds a prospective tenement package proximal to the KGP.

Growth

- Subsequent to year end, the Company completed the acquisition of the Mt Gibson Gold Project, which has a JORC 2021 compliant Resource of 2.1 million ounces, for an acquisition cost of less than $20 per resource ounce plus a 1% NSR royalty (including gold production in excess of 90,000 ounces). Acquisition of the project was financed from existing cash reserves and the $20 million drawdown of the Macquarie debt facility to $90 million ($10 million remains available).

Exploration

- Significant first pass exploration work undertaken across the extensive KGP tenement package including rock chip and geochemical soil sampling programmes, detailed aeromagnetic surveys and geological mapping identifying several prospective exploration targets for future drilling programmes.
- Near mine infill and extensional drill programme completed at Bibra during FY2021.

Strategy and Objectives

The focus of the Company during the year was the development and construction of the KGP culminating in the first gold pour on 30 June 2021. The Company's objectives are to:

- Continue to commission and optimise mining and processing operations at the KGP whilst maintaining a high standard of safety;
- Achieve steady state production at KGP and maximise cash flow from operations;
- Organically increase the Reserves and Resources of the Company through systematic exploration activity across the KGP tenement package;
- Advance the development of the Mt Gibson Gold Project by undertaking first pass confirmatory and resource extension drilling after grant of the tenement applications;
- In parallel with drilling, commence the technical and environmental studies required to underpin a Reserve estimate and feasibility study on the project in due course; and
- Actively pursue inorganic growth opportunities.

Corporate and Financial Review

Financial Position

The net loss attributable to members of the parent entity for the year was $4,765,000 (Restated* 2020: $17,947,000).

The cash balance of the Group at 30 June 2021 was $10.3 million, Macquarie debt facility was drawn to $70 million (with a further $10 million available).

As at 30 June 2021, the Company had substantially completed the majority of the construction activities at the KGP. Gold production commenced in June 2021 with first gold poured on 30 June 2021. The first shipment of gold from site to the Company's refiner took place in early July 2021 with 1,477 ounces of gold subsequently sold for $2,450 per ounce for $3.6 million. Since that time the Company has undertaken regular weekly shipments of gold with sales of the outturned product into a blend of the spot gold market or forward contract prices.

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

Corporate

In February 2021 the Company completed a strategic investment in DiscovEx Resources Limited (ASX: DCX) via a $1.2 million share placement. DCX holds controlling interests in the Sylvania Project tenement, an extensive 2,247km^2, highly prospective package located adjacent to Capricorn's KGP. Upon completion of the share placement Capricorn became a substantial shareholder of DCX, holding a 11.68% interest with Capricorn CEO Kim Massey joining the DCX board as a non-executive director.

In May 2021 Mr Bernard De Araugo was appointed to the Board of Capricorn as a non-executive director. Bernard 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.

Following the end of the financial year the Company announced the acquisition of the Mt Gibson Gold Project, 280 kilometres north-east of Perth in the Murchison Region of Western Australia. The project has a JORC 2012 compliant Inferred Mineral Resource Estimate of 79Mt @ 0.8g/t Au for 2,083,000 ounces of gold. The Company acquired the project for total consideration of $39.6 million comprising a $25.6 million cash payment and $14 million paid by the issue of 7.65 million fully paid ordinary shares in Capricorn. In addition, the Company granted a 1.0% net smelter royalty on all minerals produced from the project including gold production in excess of 90,000 ounces. The cash component of the acquisition was funded by a $20 million extension to the Company's debt facility and from existing cash reserves. As at the date of this report, the Company had drawn down $90 million on the debt facility with a further $10 million available.

Response to COVID-19

On 30 January 2020, the World Health Organisation (WHO) announced that the coronavirus ("COVID-19") outbreak was a global health emergency and later declared it a global pandemic. The Company has followed the formal guidance from the State and Federal health authorities by implementing measures to minimise the risk of infection and rate of transmission of the virus.

Whilst the direct impact of COVID-19 on the Company's operations has been minimal, border closures and lockdowns following outbreaks around Australia continue to have an impact on Capricorn operations.

Site procedures have been established to ensure that the risk of infection and transmission of COVID-19 is minimised including health screening of all employees, contractors and deliveries made to the mine site, social distancing protocols and strict hygiene practices.

Karlawinda Gold Project

The Karlawinda Gold Project is located in the Pilbara region of Western Australia, 65km south-east of the town of Newman.

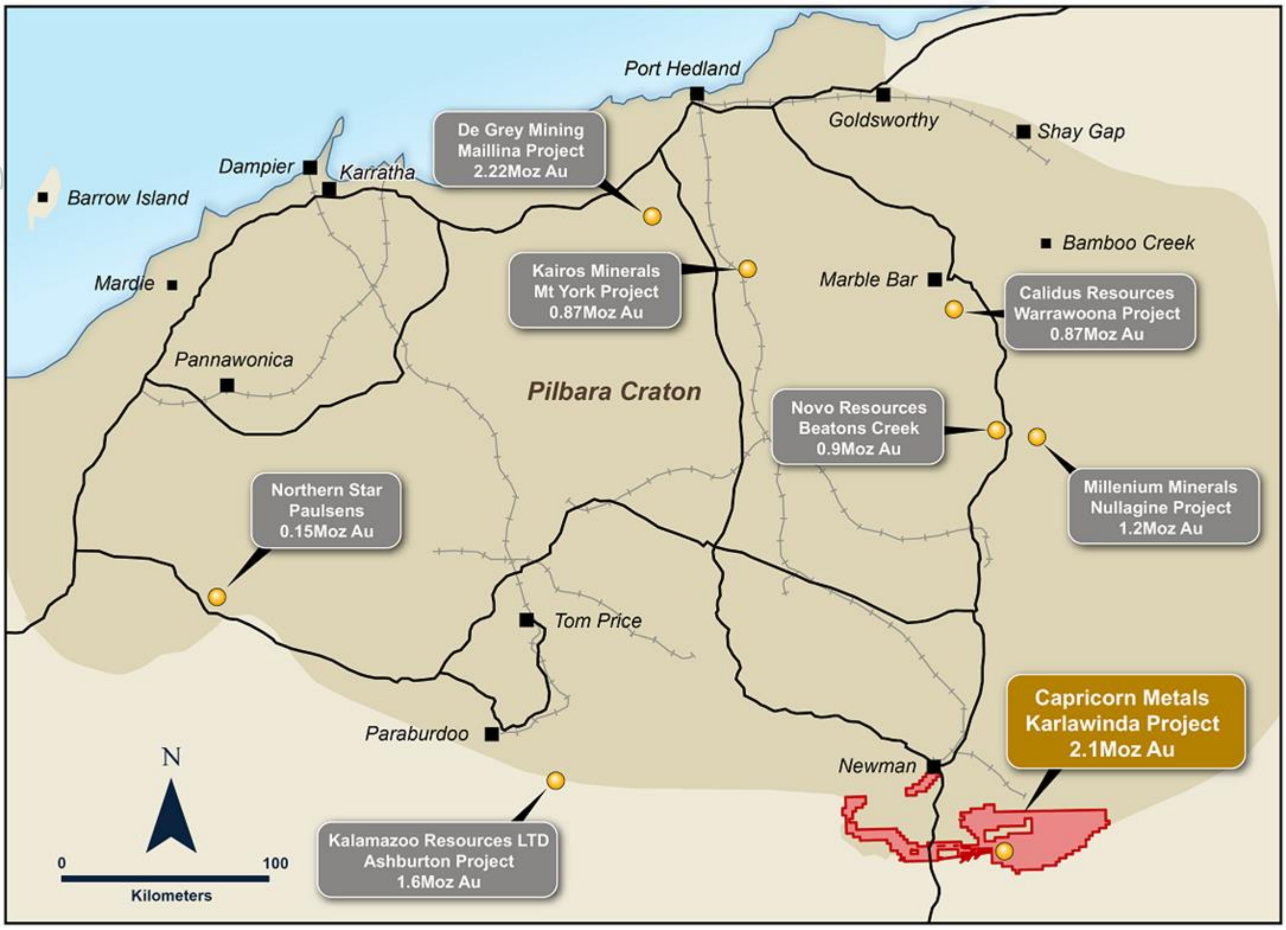

Figure 1: Location of the Karlawinda Gold Project

Geology

The Project area is underlain by a largely unexplored and only recently recognised belt of Archaean-aged greenstone rocks that were discovered in 2005. This belt of predominantly volcanic and sedimentary rocks is located on the southern margin of the Sylvania Dome, a major structure where Archaean predominantly granitic basement rocks thought to be part of the Pilbara Craton, are exposed at surface within surrounding younger Proterozoic aged sedimentary basins. Typically, at the KGP the bedrock geology is obscured by a thin cover of sandy soil up to 2m thick.

The Bibra deposit is part of a large-scale Archaean gold mineralising system with mineralisation hosted within a package of deformed meta-sediments and meta volcanic rocks and is developed on four main parallel, shallow dipping structures. Close to surface in the weathered rock, oxide gold mineralisation has been developed over the structures from surface to a depth of approximately 60m.

Development

Construction of the KGP commenced in December 2019 and was completed in June 2021 with the successful commissioning of the processing plant culminating in first gold poured of 386 ounces on 30 June 2021. The project was completed in line with time and cost guidance.

The KGP processing plant throughput capacity is anticipated to be:

- 4.5 – 5.0 mtpa in the oxide/fresh ore blend in the first 3 years; and
- 4.0 – 4.5 mtpa in solely fresh rock ore in years 4 and beyond.

These throughput capacities are expected to produce a long-term production range of 110,000 to 125,000 ounces per annum.

Figure 2: Karlawinda Processing Plant

Ore processing commenced in the last week of June 2021 and has been relatively continuous since the rapid transition from construction to operations and ultimately to first gold production.

Commissioning and optimisation activities have continued since the end of the financial year with a view to ramp up to achieving steady state operations by the end of September 2021.

Operating results for the KGP for the limited period of operations during the 2021 financial year were as follows:

		June 21Q	March 21Q
Ore mined	*'000 BCM*	301	-
Waste mined	*'000 BCM*	1,365	1,215
Stripping ratio	*w:o*	4.5	n/a
Ore mined	*'000 t*	649	-
Ore milled	*'000 t*	52	-
Head grade	*g/t*	1.41	-
Recovery	*%*	95.4	-
Gold production	*ozs*	2,360	-

Figure 3: Karlawinda Processing Plant

Mining

In October 2020 the open pit earthmoving contractor, MACA Mining Pty Ltd ("MACA") commenced mobilising mining equipment to site with first mining activity started in the Bibra open pit in the December 2020 quarter. During the year 3.3 million BCM of material was mined from the Bibra open pit with the majority being waste material used for construction purposes.

At the end of the financial year a total of 648,985 tonnes of ore had been delivered to the ROM for processing. A second excavator and truck fleet was mobilised and made operational prior to the end of the financial year in accordance with the mining schedule. With the addition of this second fleet, mining volumes are expected to increase in the September 2021 quarter and a third mining fleet is expected to be mobilised by December 2021.

In order to provide certainty to the early stages of mining and production at the KGP, a pre-production grade control drilling programme in the order of 45,000 metres was completed during the December 2020 quarter. This grade control drilling delineated over 4 million tonnes of ore and is in-line with the Ore Reserve in the areas drilled. The drilling defined the entire laterite portion of the deposit and provided confidence in the planning of mining activities and management of mill feed for the first year of operations.

A further grade control drilling programme in the oxide zone of the deposit commenced in July 2021 and will be ongoing over the life of the project as new areas of the pit are exposed for mining.

Figure 4: Mining at the Bibra open pit

Exploration

Capricorn wholly owns a 2,052 square kilometre tenement package at KGP which includes the greenstone belt hosting the 2.1 million ounce Resource and 1.2 million ounce Reserve Bibra gold deposit and other areas deemed highly prospective for gold. Due to the location of the project in the Pilbara region of Western Australia (a region not historically explored for gold), very little modern and meaningful gold exploration has been completed outside of the immediate Bibra deposit.

Regional

During the year progress was made on several fronts towards increasing the understanding of the geological opportunity at the KGP.

In September 2020 a high resolution (50m line spaced) aeromagnetic survey was conducted over the regional tenement package consisting of over 36,000 line kilometres. The completed survey was merged with existing surveys to provide a complete detailed image of the entire tenement package. This allowed a detailed structural and lithological interpretation of the tenement package which was used as a framework for target generation (refer to Figure 5).

Extensive soil sampling and rock chip sampling programmes were completed across the regional tenement package during the year identifying areas with geological settings prospective for gold in the Pilbara.

The results from these programmes together with field mapping, were correlated with the aeromagnetic survey to generate high priority targets for drilling across the KGP tenement package as shown below:

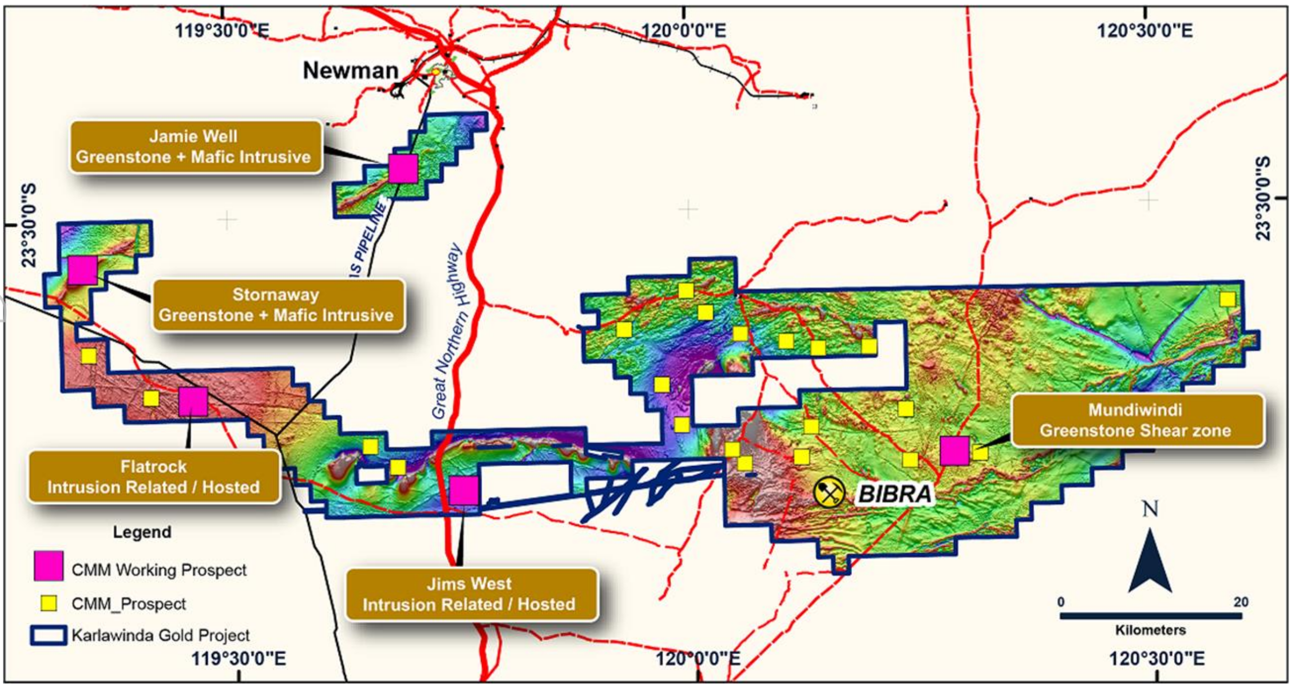

Figure 5: High priority drill targets identified across tenement package

In 2018 the Company delineated a new area of prospective Archean greenstone stratigraphy at Mundiwindi approximately 10km to the east of the Bibra deposit. In the September 2020 quarter the Company received consent from the Jigalong Community and the Minister for Mines and Petroleum to conduct exploration activities over tenements covering the Mundiwindi greenstone belt. The project area has not been subject to any previous on-ground exploration and the rock types observed are interpreted to be similar to those which are seen within the host stratigraphy for the Bibra gold deposit. This suggests both areas are of similar age and tectonic regime. A 19,000 metre aircore drill programme commenced following year end targeting a Bibra style deposit.

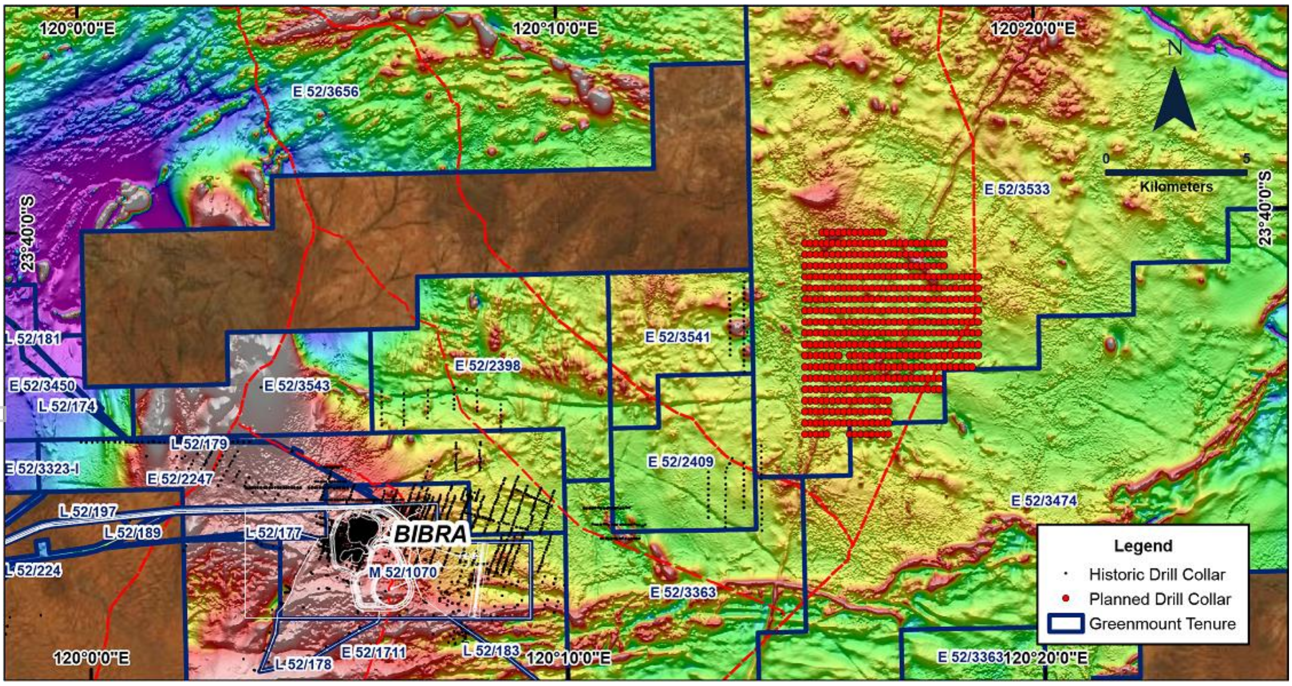

Figure 6: Location of 19,000 metre aircore drill programme at Mundiwindi

First pass mapping, geophysical and geochemical programmes identified prospective targets at Stornaway, Jamie Well and Jims West. All three projects were targeted due to their proximity to large crustal scale structures and soil sample anomalies. Aircore drilling programmes are planned in FY2022 over these prospects.

Exploration Drilling

A total of 555 holes for 32,982 metres were drilled across the tenement package during the year broken down as follows:

Drilling	Number of holes	Metres drilled
AC drilling	427	19,777m
RC drilling	92	10,260m
Water exploration	36	2,945m

All drilling during the year was in near mine programmes focused on infill and extensional drilling to the Bibra and Southern Corridor open pits. The drilling completed was designed to convert and extend Inferred Resources within the March 2020 Mineral Resource estimate to the higher confidence Indicated category, particularly between the current A$1,600 Ore Reserve pit design and higher gold price open pit optimisations. Encouraging results were received during the year including:

- 19m @ 2.46g/t from 136m in KBRC1500
- 19m @ 1.69g/t from 122m in KBRC1498
- 7m @ 1.59g/t from 48m in KBRC1456
- 4m @ 2.09g/t from 35m in KBRC1467
- 2m @ 3.68g/t from 49m in KBRC1467
- 5m @ 3.77g/t from 36m in KBRC1470
- 6m @ 1.70g/t from 54m in KBRC1472
- 1m @ 6.96g/t from 49m in KBRC1472
- 6m @ 1.33g/t from 83m in KBRC1478

Further extensional and infill drilling is planned in FY2022 and together with these results will form the basis of an update to the Mineral Resource Estimate and Ore Reserve.

Exploration drilling during the year was restricted to areas of the tenement package that were cleared for drilling for aboriginal heritage purposes. Completing the necessary ethnographical and archaeological surveys required to be able to carry out meaningful scale regional exploration activities on the tenure is a continuing priority and this work has progressed with areas cleared for exploration and water drilling necessary for the operations. This work will be ongoing in FY2022 as the Company continues to progress extensive drilling programmes.

Material Business Risks

The material business risks of the Company include:

- *COVID-19*: Capricorn continues to actively respond to the ongoing COVID-19 virus currently impacting people and businesses globally. The health and safety of people working at Capricorn, their families and our communities remains paramount during this time. Capricorn continues to operate under protocols developed internally and as prescribed by State and Federal health authorities to minimise risks to our people and communities and ensure we continue to safely operate during this challenging period. The KGP is located in Western Australia which has enabled the Company to have a dynamic, rapid, and consistent approach to the management of the COVID-19 virus.
- *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.
- *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.

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 2021 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 2020 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. He was closely involved in the development and operation of Equigold's gold mines in both Australia and Ivory Coast.

Mr Clark was appointed Managing Director of Regis Resources Limited ("Regis") in May 2009 and Executive Chairman in November 2016. 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. During this time the company grew from a small explorer with a market capitalisation of around $40 million to a significant gold producer with a market capitalisation in the order of $2.5 billion.

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 held the following other listed company directorships:

- Executive Director of Regis Resources Limited (May 2009 to October 2018)

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

Mr Okeby began his career in the resources industry in the 1980s 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.

He is currently a Director of Red Hill Iron Limited (appointed in 2016) and previously 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 joined the Board of Regis in July 2009 as a Non-Executive Director and was a major contributor on the Board that transformed Regis from a small gold explorer to one of Australia's largest gold producers.

Mr Okeby has a deep knowledge of the Australian resources landscape and the regulatory regimes around mine development and operation. He also has significant experience in the commercial and legal aspects of project development, financing, and corporate transactions.

Mr Okeby is an independent Director.

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

- Non-Executive Director of Red Hill Iron Limited (August 2015 to present)
- Non-Executive Director of Regis Resources Limited (July 2009 to February 2019)

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 had 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 Secretaries of the Company during the year and up to the date of this report are 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.

Ms Tammie Dixon *B.Com, CPA*
Company Secretary
Appointed 13 September 2019
Resigned 4 March 2021

Ms Dixon was appointed as Company Secretary effective 15 November 2019.

Ms Dixon is a Certified Practising Accountant with significant experience in financial management in the resources sector. She has held senior management roles with several ASX listed companies.

Ms Dixon resigned as Company Secretary on 4 March 2021.

Nature of Operations and Principal Activities

The principal activities of Capricorn during the financial year were the exploration, evaluation and development of the Karlawinda Gold Project. In June 2021 the Group commenced gold production at the Karlawinda Gold Project.

Dividends Paid or Recommended

No dividends were paid or recommended to be paid during the financial year (2020: Nil).

Operating Results

The net loss attributable to members of the parent entity after providing for income tax amounted to $4,765,000 (Restated* 2020: $17,947,000). A review of the Group's operations during the year and the results of those operations are contained in the Review of Operations section of this Annual Report from page 4.

Financial Position

The net assets of the Group for the year ended 30 June 2021 were $130,460,000 (Restated* 2020: $95,508,000). Net assets have increased significantly due to the continued development of the Karlawinda Gold Project which was funded by existing cash reserves, debt and equity issued during the year.

The Directors believe the Group is in a financial position to progress its current objectives and strategies.

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

Future Developments

Likely future developments in the operations of the Group are referred to in the Review of Operations section of this Annual Report. 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 Significant Events after the Balance Date sections of the Directors' Report.

Environmental Issues

Mining and exploration operations in Australia and Madagascar are subject to environmental regulation under the laws of each country 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 exploration drilling programmes in Australia, with only low-level activities in Madagascar.

All environmental performance obligations are monitored by the Board of Directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

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.

Events Subsequent to Reporting Date

There were no material events arising subsequent to 30 June 2021, 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, other than:

Acquisition of Mt Gibson Gold Project

On 28 July 2021 the Company announced the acquisition of the Mt Gibson Gold Project which includes a JORC compliant Inferred Mineral Resource Estimate of 79Mt @ 0.8g/t for 2,083,000 ounces of gold as well as various prospective mining tenements, associated information, infrastructure, improvements and associated environmental obligations.

The acquisition also involved the assumption of a third party royalty of $10 per ounce of gold produced in excess of 20,000 ounces from certain tenements and the granting of a 1% net smelter royalty over the entire project on all mineral production including gold in excess of 90,000ozs.

The total consideration for the acquisition was $39.6 million comprised of $25.6 million in cash, from existing cash reserves and funding facilities, plus $14 million settled via the issue of 7.65 million shares in the Company.

Extension of loan facility

In July 2021 the Company finalised a $20 million extension to the Company's $80 million Macquarie Bank Limited ("Macquarie") debt facility on similar terms to assist with the funding of the Mt Gibson Gold Project of which $90 million is drawn.

Exercise of options

On 28 July 2021 the Company announced the issue of 10 million shares as a result of the exercise of 10 million options at an exercise price of $0.60 per share by directors of the Company.

Directors' Meetings

During the financial year, the Directors' attendance at meetings of Directors and committees of Directors were as follows:

	Directors' Meetings	
Director	Number of meetings held	Number of meetings attended
M Clark	9	9
M Okeby	9	9
M Ertzen	9	9
B De Araugo	1	1

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 options
M Clark	22,052,000	-
M Okeby	6,615,385	-
M Ertzen	3,611,539	-
B De Araugo	45,550	-

Share Options

Unissued shares

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

A total of 10,000,000 options were exercised after year end but before the date of this report.

Shares issued on exercise of options

At the date of this report, 16,218,006 ordinary shares were issued by the Company as a result of the exercise of options at a weighted average exercise price of $0.73 per share.

During the year 6,218,006 options were exercised and an additional 10,000,000 options were exercised after year end but before the date of this report.

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
17 September 2021	2,000,000
17 September 2022	2,000,000
1 February 2022	1,225,000
1 February 2023	1,225,000
30 September 2022	162,500
30 September 2023	162,500
18 January 2023	100,000
18 January 2024	100,000
29 March 2023	100,000
29 March 2024	100,000

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.

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 2021 (2020: 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 2021 is attached to the Directors' Report at page 26.

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.

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.

This remuneration report for the year ended 30 June 2021 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.

Remuneration Principles

The remuneration policy was approved by the Board. Executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits as relevant or appropriate to their position. The Board reviews executive packages annually by reference to Group performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is reviewed annually, by the Board.

Executives may be granted unquoted share options or performance rights from time to time, as determined by the Board.

The Board expects that the remuneration structure implemented will result in the Group being able to attract and retain executives to manage the Group. It will also provide executives with the necessary incentives to work towards sustainable growth in shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria.

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.

Short term incentives

Each year the Board reviews the performance of the Group and KMP and makes recommendations in relation to the awarding of any short-term incentives. No such bonuses have been recommended this year.

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. The Incentive Plan provides the Group the flexibility to issue incentives in the form of either options or performance rights which may ultimately vest and be converted to shares on exercise, subject to satisfaction of any relevant vesting conditions. The ability to exercise the options or performance rights is conditional upon the employee remaining with the Group throughout the vesting period. There are no other performance criteria that must be met.

Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 2019 Annual General Meeting, is not to exceed $400,000 per annum. Directors' fees cover all main Board activities and committee memberships. The base fee for a Non-Executive Director increased from $40,000 to $100,000 per annum excluding superannuation on 1 October 2020. 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 2021.

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 (1)	Non-Executive Director	Part Year
Mr Mark Clark	Executive Director	Full Year
Mr Kim Massey (2)	Chief Executive Officer & Company Secretary	Full Year
Mr Paul Thomas	Chief Operating Officer	Full Year
Ms Tammie Dixon (3)	Chief Financial Officer & Company Secretary	Part Year

(1) Mr De Araugo was appointed Non-Executive Director effective 26 May 2021.
(2) K Massey was appointed Company Secretary effective 4 March 2021.
(3) T Dixon ceased as Chief Financial Officer and Company Secretary effective 4 March 2021.

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 2021

	Short term benefits			Post-employment benefits	Long-term benefits	Share-based payments			
FY2021	Salary and Fees	Other Service Fees	Non-Cash Benefits*	Superannuation	Accrued annual & long service leave #	Options & Rights	Termination Payments	Total	Performance Related (LTI)
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
M Okeby (1)	85,000	26,190	-	10,563	-	-	-	121,753	-
M Ertzen	85,000	-	-	8,075	-	-	-	93,075	-
B De Araugo (2)	9,872	-	-	938	-	-	-	10,810	-
Executive Directors									
M Clark	347,481	-	7,031	25,000	13,278	-	-	392,790	-
Other Executives									
K Massey	358,250	-	7,031	25,000	7,599	1,081,683	-	1,479,563	73.11%
P Thomas	358,250	-	7,031	25,000	34,228	1,081,683	-	1,506,192	71.82%
T Dixon (3)	159,103	-	4,508	24,615	(12,494)	155,884	100,000	431,616	36.12%
Total	1,402,956	26,190	25,601	119,191	42,611	2,319,250	100,000	4,035,799	

* 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) The other service fees include additional consulting services provided by M Okeby during his appointment as Non-Executive Director to the Company.
(2) B De Araugo was appointed as a Non-Executive Director on 26 May 2021.
(3) T Dixon ceased as Chief Financial Officer and Company Secretary effective 4 March 2021.
(4) 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 2020

	Short term benefits			Post-employment benefits	Long-term benefits	Share-based payments			
FY2020	Salary and Fees	Other Service Fees	Non-Cash Benefits*	Superannuation	Accrued annual & long service leave #	Options & Rights	Termination Payments	Total	Performance Related (LTI)
	$	$	$	$	$	$	$	$	%
Non-Executive Directors									
M Okeby (1)	39,247	110,060	-	13,225	-	1,376,800	-	1,539,332	89.44%
M Ertzen (2)	32,000	-	-	3,040	-	-	-	35,040	-
Executive Directors									
M Clark (3)	335,415	-	8,011	24,644	6,293	5,507,200	-	5,881,563	93.63%
Other Executives									
K Massey (4)	301,454	-	6,445	22,854	20,410	545,478	-	896,641	60.84%
P Thomas (5)	285,521	-	6,109	21,340	23,550	545,478	-	881,998	61.85%
T Dixon (6)	139,247	-	-	13,228	12,494	40,572	-	205,541	19.74%
Total	1,132,884	110,060	20,565	98,331	62,746	8,015,528	-	9,440,115	

* 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 are the movements in the provision, net of any leave taken.
(1) M Okeby was appointed as a Non-Executive Director effective 8 July 2019. The other service fees include additional services provided by M Okeby during his appointment as Non-Executive Director to the Company.
(2) M Ertzen was appointed as a Non-Executive Director effective 13 September 2019.
(3) M Clark was appointed as an Executive Director effective 8 July 2019.
(4) K Massey was appointed as Chief Executive Officer effective 16 September 2019.
(5) P Thomas was appointed as Chief Operating Officer effective 1 October 2019.
(6) T Dixon was appointed as Chief Financial Officer effective 21 October 2019 and Joint Company Secretary effective 15 November 2019.
(7) Mr Clark, Mr Massey and Mr Thomas elected to receive a portion of their superannuation entitlements above the statutorily required maximum amount as salary.

Equity issued as part of remuneration

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

Options

No options have been granted to KMPs as compensation during the current financial year.

The table below outlines the movements in options during the year.

Name	M Clark	M Okeby	Total
Grant date	27 Aug 19	27 Aug 19	
Number held as at 1 July 2020	8,000,000	2,000,000	10,000,000
Fair value at grant date	$1.225	$1.225	
Exercise price per option	$0.60	$0.60	
Vesting date	27 Aug 19	27 Aug 19	
Expiry date	30 Aug 22	30 Aug 22	
Vested and exercisable	8,000,000	2,000,000	10,000,000
Exercised during the year	-	-	-
Number held as at 30 June 2021	8,000,000	2,000,000	10,000,000

These options expire at their expiry date and are vested. All other options expire at the earlier of their expiry date or termination of the individual's employment unless otherwise specified in the employment contract. Options granted as compensation do not have any vesting conditions other than continuing employment. These options were fully expensed at the time of vesting in 2019.

Performance Rights

No performance rights have been granted to KMPs as compensation during the current financial year.

The table below outlines the terms and conditions of the performance rights held by KMP.

Key management personnel	K Massey		P Thomas	
Grant date	17-Dec-19		17-Dec-19	
Tranche	Tranche A	Tranche B	Tranche A	Tranche B
Number of rights	1,000,000	1,000,000	1,000,000	1,000,000
Value of underlying security at grant date	$1.18	$1.18	$1.18	$1.18
Dividend yield	-	-	-	-
Risk free rate	0.80%	0.77%	0.80%	0.77%
Volatility	105%	126%	105%	126%
Performance period (years)	1.75	2.75	1.75	2.75
Test date	17 Sep 21	17 Sep 22	17 Sep 21	17 Sep 22
Remaining performance period (years)	0.22	1.22	0.22	1.22
Expense recognised during the period	$1,081,683		$1,081,683	

Performance rights granted as compensation do not have any vesting conditions other than continuing employment and there are no market performance conditions attached to the vesting of the performance rights. The value of rights granted is the fair value of the rights calculated at the grant date. The total value of the rights granted is $4,720,000. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2019 to 30 June 2023). The total performance rights expense recognised for KMP during the year is $2,163,366. No performance rights vested and were eligible to be exercised during the year.

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 2020	Issued on exercise of options	Net change other*	Held as at 30 June 2021
Non-Executive Directors				
M Okeby	4,615,385	-	-	4,615,385
M Ertzen	3,611,539	-	-	3,611,539
B De Araugo (1)	n/a	-	45,550	45,550
Executive Directors				
M Clark	13,846,154	-	205,846	14,052,000
Other Executives				
K Massey	2,153,847	-	-	2,153,847
P Thomas	4,307,693	-	(7,693)	4,300,000
T Dixon (2)	25,000	-	(25,000)	n/a
Total	28,559,618	-	218,703	28,778,321

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

(1) B De Araugo was appointed as Non-Executive Director effective 26 May 2021. He held 45,550 shares at that date.

(2) T Dixon ceased as Chief Financial Officer and Company Secretary effective 4 March 2021. She held 32,000 shares at that date.

Movements in options and rights over equity instruments

The movement during the reporting period in the number of options and 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 2020	Granted as remuneration	Exercised	Net change other	Held as at 30 June 2021	Total vested	Exercisable	Not exercisable
Options								
M Clark	8,000,000	-	-	-	8,000,000	8,000,000	8,000,000	-
M Okeby	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Rights								
K Massey	2,000,000	-	-	-	2,000,000	-	-	2,000,000
P Thomas	2,000,000	-	-	-	2,000,000	-	-	2,000,000
T Dixon (3)	400,000	-	-	(400,000)	n/a	-	-	-
Total	14,400,000	-	-	(400,000)	14,000,000	10,000,000	10,000,000	4,000,000

(1) Unvested options are forfeited immediately on cessation of employment.
(2) Vested options lapse 30 days after the cessation of employment, if the options have not been exercised prior.
(3) T Dixon ceased as Chief Financial Officer and Company Secretary effective 4 March 2021.

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

The following table shows the gross revenue, profits, dividends and share price at the end of financial year for the past five financial years ending 30 June:

	2017	2018	2019	Restated* 2020 (1)	2021
	$'000	$'000	$'000	$'000	$'000
Revenue	426	242	207	122	110
Net profit/(loss)	(3,293)	(3,118)	(23,817)	(17,947)	(4,765)
Share price at year-end	0.081	0.066	0.089	1.795	1.900
Dividends paid	-	-	-	-	-
Total assets	31,924	37,388	26,284	124,486	299,595
Net assets	30,108	35,984	23,817	95,508	130,460

* The comparative information has been restated on account of correction of errors. Refer to Note 34.
(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

29 September 2021

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 2021 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.

KPMG

R Gambitta
Partner

Perth

29 September 2021

	Note	2021 $'000	Restated* 2020 $'000
Revenue	2	110	122
Other income	2	110	173
Fair value gain/(loss) on financial assets	9	420	(60)
Personnel costs	3	(3,619)	(3,315)
Share-based payment expense	24	(3,277)	(8,237)
Depreciation	3	(215)	(192)
Administrative expense		(1,399)	(1,084)
Exploration expenditure written off	13	-	(266)
Impairment on asset held for sale	10	-	(200)
Reversal of impairment on receivable		-	11
Write off of payment obligation		323	-
Exploration expenditure		(4)	(19)
Finance income/(expenses)	3	2,786	(4,880)
Total expenses		**(4,875)**	**(18,069)**
Loss before income tax expense		**(4,765)**	**(17,947)**
Income tax expense	4	-	-
Net loss attributable to members of the parent entity		**(4,765)**	**(17,947)**
Other comprehensive income:			
Items that may be re-classified to profit or loss:			
- Adjustment from translation of foreign controlled entities		(149)	(6)
Total comprehensive loss for the year attributable to members of the parent entity		**(4,914)**	**(17,953)**
Earnings per share:			
Basic loss per share (cents per share)	23	(1.39)	(5.95)
Diluted loss per share (cents per share)	23	(1.39)	(5.95)

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The accompanying notes form part of these financial statements

	Note	2021 $'000	Restated* 2020 $'000
Current assets			
Cash and cash equivalents	5	10,312	45,695
Receivables	6	1,325	1,757
Other assets	7	1,502	539
Inventories	8	14,065	69
Financial assets	9	1,688	68
Assets classified as held for sale	10	2,500	2,700
Total current assets		**31,392**	**50,828**
Non-current assets			
Other assets	7	4,516	5,752
Plant and equipment	11	1,075	869
Right of use assets	12	51,591	218
Deferred exploration and evaluation costs	13	2,698	542
Mine properties under development	14	208,323	66,277
Total non-current assets		**268,203**	**67,906**
Total assets		**299,595**	**124,486**
Current liabilities			
Trade and other payables	15	18,945	12,691
Lease liabilities	16	7,452	134
Borrowings	17	32,000	-
Provisions	18	569	475
Total current liabilities		**58,966**	**13,300**
Non-current liabilities			
Lease liabilities	16	43,603	119
Borrowings	17	38,000	-
Provisions	18	21,483	3,839
Derivatives	19	7,083	10,720
Total non-current liabilities		**110,169**	**14,678**
Total liabilities		**169,135**	**27,978**
Net assets		**130,460**	**96,508**
Equity			
Issued capital	20	180,629	145,040
Reserves	21	10,647	8,719
Accumulated losses	22	(60,816)	(57,251)
Total equity		**130,460**	**95,508**

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Issued capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share-based payment reserve $'000	Total $'000
Balance as at 1 July 2019		62,633	(39,304)	(697)	1,185	23,817
Loss for the year		-	(12,979)	-	-	(12,979)
Other comprehensive income		-	-	(6)	-	(6)
Total comprehensive income as previously stated*		-	(12,979)	(6)	-	(12,985)
Impact of restatement	34	-	(4,968)	-	-	(4,968)
Total comprehensive income restated		-	(17,947)	(6)	-	(17,953)
Issue of shares	20	84,630	-	-	-	84,630
Cost of capital raised	20	(2,223)	-	-	-	(2,223)
Share based payments	24	-	-	-	8,237	8,237
Balance as at 30 June 2020		**145,040**	**(57,251)**	**(703)**	**9,422**	**96,508**
Balance as at 1 July 2020		145,040	(57,251)	(703)	9,422	96,508
Loss for the year		-	(4,765)	-	-	(4,765)
Other comprehensive income		-	-	(149)	-	(149)
Total comprehensive income		-	(4,765)	(149)	-	(4,914)
Issue of shares	20	36,836	-	-	-	36,836
Cost of capital raised	20	(1,247)	-	-	-	(1,247)
Share based payments	24	-	-	-	3,277	3,277
Transfer	21	-	1,200		(1,200)	-
Balance as at 30 June 2021		**180,629**	**(60,816)**	**(852)**	**11,499**	**130,460**

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The accompanying notes form part of these financial statements

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(18,294)	(4,646)
Payments for exploration expenditure		(4)	-
Interest received		177	648
Interest paid		(994)	(579)
Other income		218	295
Net cash used in operating activities	25	**(18,897)**	**(4,282)**
Cash flows from investing activities			
Payments for property, plant and equipment		(385)	(580)
Payments for investments		(1,200)	-
Payments for capitalised exploration expenditure		(2,750)	(3,544)
Payments for mine properties under development		(117,118)	(35,647)
Net cash used in investing activities		**(121,453)**	**(39,771)**
Cash flows from financing activities			
Proceeds received from the issue of shares		36,836	84,630
Costs of capital raised		(1,243)	(2,223)
Proceeds from borrowings		70,000	-
Repayment of lease liabilities		(626)	(94)
Transaction costs from borrowings		-	(1,605)
Net cash flows provided by financing activities		**104,967**	**80,708**
Net increase/(decrease) in cash held		**(35,383)**	**36,655**
Cash and cash equivalent at the beginning of the year	5	45,695	9,040
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at the end of the year	5	**10,312**	**45,695**

The accompanying notes form part of these financial statements

1A. Reporting entity

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 1, 28 Ord Street

WEST PERTH WA 6005

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

1B. Basis of preparation

The consolidated financial statements for the year ended 30 June 2021, comprises Capricorn Metals Ltd ("Company" or "Parent") and its wholly owned subsidiaries ("the Group" or "Capricorn").

The consolidated financial statements were authorised for issue by the Board of Directors on 29 September 2021.

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 costs 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.

Restatement

The comparative information has been restated on account of correction of errors. Refer to Note 34.

1C. New standards and interpretations adopted

The Group has consistently applied the accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2020 but determined that their application to the financial statements is either not relevant or not material.

1D. New standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group. The Group's assessment of the impact of these new standards and interpretations is that they would not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions except for the following:

AASB 116 Property, Plant and Equipment

The amendment requires an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related costs in profit or loss, instead of deducting the amounts received from the cost of the asset.

The Group plans to adopt this amendment from 1 July 2021 and expects it to have a material impact on the presentation of net profit after tax, net assets and financial position for the year ending 30 June 2022.

1E. Accounting Policies

(a) Principles of consolidation

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.

A list of the subsidiaries is provided in Note 31.

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.

(b) Cash and cash equivalents

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.

(c) Receivables

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.

(d) Inventories

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.

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

(e) Assets held for sale

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, investment property or biological assets, 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.

(f) Property, plant and equipment

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 revaluation 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, plant and equipment and furniture and equipment

The value of infrastructure, 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.

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 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

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.

(g) Exploration and evaluation expenditure

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 for 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.

(h) Mine properties under development

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.

(i) Trade and other payables

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.

(j) Financial instruments

Recognition and initial measurement

All financial assets and financial liabilities 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), or 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 assets

The Group's financial assets include cash and cash equivalents, trade and other receivables, term deposits, equity investments and sold gold call options.

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 assts 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.

Financial liabilities

The Group's financial liabilities include trade and other payables, lease liabilities, sold gold call options and borrowings.

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 asset or 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 asset or 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 of the Group's financial instruments recognised in the financial statements are materially the same. The methods and assumptions used to estimate the fair value of the financial instruments are disclosed in the respective notes.

Derecognition

Financial assets

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.

Financial liabilities

The Group derecognises a financial asset when it transfers contractual obligations are discharged or cancelled or expire. The Group also 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.

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

The method of recognising any re-measurement gain or loss depends on the nature of the item being hedged. Any changes in the fair value of a derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

The Group's derivative financial instruments include the sold gold call option which do not qualify for hedge accounting and therefore any changes in the fair value of the sold gold call option are recognised immediately in the income statement.

(k) Employee benefits

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.

As at 30 June 2021 the Group does not have any employees entitled to long service leave, or a pro-rata entitlement to long service leave.

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 9.50% 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.

Equity-settled compensation

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') refer to Note 24.

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 (i) the extent to which the vesting period has expired and (ii) 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.

(l) Provisions

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.

(m) Borrowings

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 noncurrent borrowings in the balance sheet.

(n) Leases as lessee

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.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liability

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.

Right-of-use assets

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 and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a replacement value of less than $5,000.

(o) Leases as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(p) Contributed equity

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.

(q) Foreign currency transactions and balances

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.

Transaction and balances

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.

Group companies

The financial results and position of foreign operations, being activities outside of Australia, whose functional currency is different from the Group's presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period, when the average rate approximates the rate at the date of the transaction; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed of.

(r) Revenue and other income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from Royalties are recognised upon delivery of goods to customers or to the minimum monthly contractual amount.

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

(s) 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.

(t) Impairment of assets

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.

(u) Income tax

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.

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.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(v) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(w) Value added tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the Madagascan tax authority. In these circumstances VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flow on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

(x) Operating segments

The Board as the Chief Operating Decision Makers ("CODM") examines the Group's performance from both a product and geographic perspective.

The Group is managed primarily on the basis of geographical location as the Group's operations inherently have different risk profiles and performance assessment criteria.

The Board has therefore identified its two reportable segments of its business to be Australia and Madagascar.

(y) Earnings per share

Basic earnings per share ("EPS") 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 half year, adjusted for any bonus elements.

Diluted EPS adjusts the figures used in the determination of Basic EPS 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.

1F. Key Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Impairment of investments in subsidiaries can arise where the carrying value of the asset exceeds the net asset position of the subsidiaries and if it considered that this situation is unlikely to change in the foreseeable future an impairment is recognised to the value of the deficit. Impairment of intangible assets is recognised upon managements' best estimate that the carrying value exceeds the fair value of the asset considering future cash flows and profits arising from the asset.

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.

Rehabilitation provision

The Group assesses site rehabilitation liabilities annually. The provision recognised is based on a market 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 cost 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.

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.

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated forecast sales price of the gold when it's expected to be realised, less estimated costs to complete production and bring the product to sale.

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.

Key Judgements

Exploration and evaluation 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 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.

Deferred tax assets

The Directors have considered it prudent not to bring to account the deferred tax asset of income tax losses until it is probable of deriving assessable income of a nature and amount to enable such benefit to be realised.

Held for sale assets

The held for sale property asset, reclassified from property, plant and equipment at 30 June 2017, remains unsold as at 30 June 2021. A valuation prepared by an expert is used by the Directors in the assessment of the carrying amount of the held for sale asset and the requirement to impair the carrying value.

Commercial production

Depletion of capitalised costs for mining properties begins when pre-determined levels of operating capacity intended by management have been reached. The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgement.

Management considers several factors in determining when a mining property has reached levels of operating capacity intended by management, including:

- When the mine is substantially complete and ready for its intended use;
- The mine has the ability to sustain ongoing production at a steady or increasing level;
- The mine has reached a level of pre-determined percentage of design capacity;
- Mineral recoveries are at or near the expected production level; and
- A reasonable period of testing of the mine, plant and equipment has been completed.

Once in commercial production, the capitalisation of certain mine development and construction costs ceases. Subsequent costs are either regarded as forming part of the cost of inventory or expensed. However, any costs relating to mining asset additions or improvements, or mineable reserve development, are assessed to determine whether capitalisation is appropriate.

As at 30 June 2021, the Karlawinda Gold Project had not achieved commercial production.

2. REVENUE

	2021 $'000	2020 $'000
Revenue		
Rental income	110	122
Other Income		
Government grant income	100	173
Other	10	-
Total Other Income	110	173

3. EXPENSES

	2021 $'000	Restated* 2020 $'000
Personnel Costs		
Salaries and wages	(10,377)	(6,087)
Defined contribution superannuation	(924)	(528)
Employee bonuses	-	(32)
Other employee benefits expense	(689)	(387)
Less: amounts capitalised (1)	8,371	3,719
Total Personnel Costs	(3,619)	(3,315)

Personnel costs increased during the year as construction activities at the Karlawinda Gold Project ramped up culminating in first gold poured in June 2021.

	2021 $'000	Restated* 2020 $'000
Depreciation		
Plant and equipment depreciation (refer to Note 11)	(201)	(77)
Right of use asset depreciation (refer to Note 12)	(1,473)	(118)
Less: amounts capitalised (1)	1,459	3
Total Depreciation	(215)	(192)
Finance Income/(Expenses)		
Project loan costs	(1,636)	(578)
Interest on lease liabilities (refer to Note 16)	(464)	(12)
Net gain/(loss) on financial instruments at fair value through profit and loss (2)	3,638	(4,968)
Other costs	(20)	-
Less: amounts capitalised (1)	1,126	-
	2,644	(5,558)
Interest revenue	142	678
Total Finance Income/(Expenses)	2,786	(4,880)

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

(1) Capitalised personnel, depreciation and finance costs are being included as part of Mine properties under development during the construction and commissioning stage of the Karlawinda Gold Project.

(2) The net gain/loss on financial instruments at fair value through profit or loss, refers to the movement in the fair value of an open sold gold call option contract recognised when they were entered into on 6 January 2020. For more information on the measurement and recognition of derivatives, refer to Note 19.

4. INCOME TAX

	2021 $'000	Restated* 2020 $'000
Amounts recognised in Profit and Loss		
(a) Tax expense		
Current tax	-	-
Deferred tax	-	-
Total tax expense for the period	-	-
(b) Numerical reconciliation between tax expense and pre-tax net profit or (loss)		
Net profit/(loss) before tax	(4,765)	(17,947)
Corporate tax rate applicable	30%	27.5%
Income tax expense/(benefit) on above at applicable corporate rate	(1,429)	(4,935)
Increase/(decrease) income tax due to tax effect of:		
Non-deductible expenses	1,030	3,623
Other assessable income	-	2
Current year tax losses not recognised	828	1,822
Non assessable income	(30)	-
Movement in unrecognised temporary differences	(100)	-
Other deductible expenses	-	(512)
Deductible equity raising costs	(299)	-
Income tax expense/(benefit) attributable to entity	-	-
Deferred tax assets and liabilities		
(c) Recognised deferred tax assets and liabilities		
Deferred tax assets		
Employee provisions	161	53
Other provisions and accruals	27	18
Derivative assets and liabilities	399	1,366
Blackhole previously expensed	20	29
Tax losses	6,768	1,197
Other	468	562
	7,843	3,225
Set-off of deferred tax liabilities	(7,843)	(3,225)
Net deferred tax assets	-	-
Deferred tax liabilities		
Prepayments	-	(23)
Exploration and mine properties	(7,557)	(3,167)
Inventory	(192)	(19)
Plant and equipment	(67)	(7)
Investments	(26)	-
Other	(1)	(9)
	(7,843)	(3,225)
Set-off of deferred tax assets	7,843	3,225
Net deferred tax liabilities	-	-
(d) Unrecognised deferred tax balances		
The following deferred tax assets have not been brought to account:		
Deductible temporary differences	1,382	1,236
Deferred tax assets attributable to tax losses	13,285	11,418
Transaction costs on equity issue	19	17
Total unrecognised deferred tax assets	14,686	12,671

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items due to a history of tax losses and will be reassessed as convincing evidence is available for which the Group can utilise these benefits.

5. CASH AND CASH EQUIVALENTS

	2021 $'000	2020 $'000
Cash at bank	10,312	45,695

6. RECEIVABLES

	2021 $'000	2020 $'000
GST receivable	907	1,140
Deposits	324	363
Fuel tax credit receivable	45	91
Interest receivable	1	36
Other receivables	48	127
Total Receivables	1,325	1,757

7. OTHER ASSETS

	2021 $'000	Restated* 2020 $'000
Current		
Gold forward asset	1,237	-
Prepayments	265	539
Total Current Other Assets	1,502	539
Non-Current		
Gold forward asset	4,516	5,752
Total Other Assets	6,018	6,291

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The gold forward asset refers to the fair value of the premium income on sold gold call option contract entered into on 6 January 2020. The sold gold call option premium was added to the price of the Company's gold forward contracts (disclosed in Note 26). Subsequent measurement of the gold forward asset matures by 30 June 2025 and is held at amortised cost.

8. INVENTORIES

	2021 $'000	2020 $'000
Ore stockpiles	10,103	-
Gold in circuit	2,817	-
Bullion on hand	504	-
Consumable stores	641	69
Total Inventories	14,065	69

The increase in inventories reflects the commencement of mining activities during the financial year.

9. FINANCIAL ASSETS

	2021 $'000	2020 $'000
As at 1 July	68	128
Additions	1,200	-
Fair value adjustment	420	(60)
As at 30 June	1,688	68

During the year, the Group acquired 300,000,000 shares (a 11.68% holding interest) in DiscovEx Resources Limited (ASX: DCX), via a share placement. The cost was $0.004 per share, totalling $1,200,000.

Fair value of listed shares and assumptions

	2021	2020
BlackEarth Minerals NL		
Fair value per listed share	$0.094	$0.034
Closing quoting bid price per share	$0.094	$0.034
DiscovEx Resources Limited		
Fair value per listed share	$0.005	n/a
Closing quoting bid price per share	$0.005	n/a

10. ASSETS HELD FOR SALE

	2021 $'000	2020 $'000
Property asset	4,500	4,500
Impairment	(1,800)	(1,800)
Translation adjustment	(200)	-
	2,500	2,700

The Group intends to dispose of a freely held property asset located in Antanarirvo, Madagascar within the next 12 months. This property of 19,373m2 containing a number of buildings, including offices, warehouses and villa accommodation, is a unique asset with limited potential buyers.

An annual valuation was completed by Cabinet D'Expertise Audit Techniques Et Conseils Qualities in June 2020 of 7,235,880,000 Ariary which translates to AUD $2,544,038 as at 30 June 2021 (2020: AUD$2,757,629). On the basis of the current valuation, the Directors considered the carrying value appropriate for the year ended 30 June 2021.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

11. PLANT AND EQUIPMENT

	Infrastructure $'000	Furniture & Equipment $'000	Plant & Equipment $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2019	1,500	205	98	-	1,803
Additions	-	206	-	443	649
Depreciation	-	(62)	(15)	-	(77)
Transfers to mine properties	(1,500)	-	-	-	(1,500)
Disposals	-	(6)	-	-	(6)
Net carrying amount at 30 June 2020	-	343	83	443	869
As at 30 June 2020					
Cost	-	660	278	443	1,381
Accumulated depreciation	-	(317)	(195)	-	(512)
Net carrying amount at 30 June 2020	-	343	83	443	869

	Furniture & Equipment $'000	Plant & Equipment $'000	Capital WIP $'000	Total $'000
Net carrying amount at 1 July 2020	343	83	443	869
Additions	196	180	109	485
Depreciation	(131)	(70)	-	(201)
Transfers to plant and equipment	20	441	(461)	-
Transfers to mine properties	-	-	(78)	(78)
Net carrying amount at 30 June 2021	428	634	13	1,075
As at 30 June 2021				
Cost	876	899	13	1,788
Accumulated depreciation	(448)	(265)	-	(713)
Net carrying amount at 30 June 2021	428	634	13	1,075

12. RIGHT-OF-USE ASSETS

	2021 $'000	2020 $'000
As at 1 July	218	336
Additions to right-of-use assets	52,846	-
Depreciation charge for the year (refer to Note 3)	(1,473)	(118)
As at 30 June	51,591	218

Refer to accounting policy Note 1(n) Leases as lessee for details regarding right-of-use assets.

The increase in the right of use assets during the year relates to the identification of lease assets under AASB 16 in relation to operating contracts signed at the Karlawinda Gold Project including the earthmoving, power and gas transportation contracts.

13. DEFERRED EXPLORATION AND EVALUATION COSTS

	2021 $'000	2020 $'000
As at 1 July	542	12,079
Expenditure for the period	3,154	3,209
Exploration expenditure written off	-	(266)
Transfer to mine properties under development	(998)	(14,480)
As at 30 June	2,698	542

14. MINE PROPERTIES UNDER DEVELOPMENT

	2021 $'000	2020 $'000
As at 1 July	66,277	-
Construction expenditure capitalised	103,748	45,213
Pre-production expenditure capitalised	20,070	965
Rehabilitation additions	17,152	4,119
Transfer from exploration	998	14,480
Transfers from plant and equipment	78	1,500
As at 30 June	208,323	66,277

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

15. TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payables	6,100	8,408
Accrued expenses	11,200	3,295
Other payables	1,645	988
Total Trade and Other Payables	18,945	12,691

16. LEASE LIABILITIES

	2021 $'000	2020 $'000
Current		
Lease liabilities	7,452	134
Non-Current		
Lease liabilities	43,603	119
Total Lease Liabilities	51,055	253

Refer to accounting policy Note 1(n) Leases as lessee for details regarding lease liabilities.

The increase in Lease liabilities during the year relates to the identification of lease assets under AASB16 in relation to operating contracts signed at the Karlawinda Gold Project including the earthmoving, power and gas transportation contracts.

Interest expense in relation to lease liabilities for the year ended 30 June 2021 was $464,000 (refer to Note 3).

Total cash outflows relating to leases during the year were $952,000 (2020: $108,000) comprising, principal ($626,000) and interest ($326,000) 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 2021, including non-lease components such as labour, totalled $16,009,000 (2020: Nil).

Payments associated with short-term leases that have terms of 12 months or less and leases of low value assets of $5,000 or less are recognised in profit and loss. During the construction and commissioning phase of the project these costs are recognised in pre-production costs. Total payments for the year were $1,626,000 (2020: Nil).

17. BORROWINGS

	2021 $'000	2020 $'000
Current		
Bank loans	32,000	-
Non-Current		
Bank loans	38,000	-
Total Borrowings	70,000	-

Borrowings comprise of amounts drawn down on a Project Loan Facility of $80 Million with Macquarie Bank Limited ("Macquarie"). The facility accrues interest at the bank bill rate plus 3% and is repayable in various instalments over a term ending 30 June 2025 however, voluntary repayments can be made in accordance the facility agreement. The facility includes customary liquidity and debt service covenants. The Group is in compliance with its covenants.

The bank holds a first ranking, registered fixed and floating charge over all the assets of Capricorn Metals Ltd and its wholly owned subsidiary, Greenmount Resources Pty Ltd (owner of the Karlawinda Gold Project) as security for the facility provided by Macquarie.

18. PROVISIONS

	2021 $'000	2020 $'000
Current		
Annual leave	487	173
Rehabilitation	82	302
Total Current Provisions	569	475
Non-Current		
Long service leave	50	22
ROU asset demobilisation	244	-
Rehabilitation	21,189	3,817
Total Non-Current Provisions	21,483	3,839
Total Provisions	22,052	4,314
Provision for rehabilitation		
As at 1 July	4,119	-
Provisions made during the year	17,152	4,119
As at 30 June	21,271	4,119

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.

The increase in the rehabilitation provision during the year reflects the progress made on the Karlawinda Gold Project.

19. DERIVATIVES

	2021 $'000	Restated* 2020 $'000
Sold gold call option liability	7,083	10,720

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

The sold gold call option liability refers to the fair value of the sold gold call option contract entered into on 6 January 2020. Subsequent measurement of the sold 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.

20. ISSUED CAPITAL

	2021 $'000	2020 $'000
Ordinary shares - issued and fully paid	180,629	145,040

	Number of Shares	$'000
Movement in ordinary shares on issue		
As at 1 July 2019	936,533,344	62,633
Issue of shares	687,172,429	83,260
Issued on exercise of options	2,060,000	1,370
Share consolidation (1)	(1,298,964,300)	-
Cost of capital raised	-	(2,223)
As at 30 June 2020	326,801,473	145,040
Issue of shares (2)	17,000,000	32,300
Issued on exercise of options (3)	6,218,006	4,536
Cost of capital raised	-	(1,247)
As at 30 June 2021	350,019,479	180,629

1. 20 November 2019: Shareholders approved a resolution to consolidate the Group's issued capital through the conversion of every five existing shares into one share.
2. 5 August 2020: 17,000,000 shares were issued at a price of $1.90 per share subsequent to the completion of a placement to shareholders.
3. During the year ending 30 June 2021, 6,218,006 Options were exercised at various exercise prices ranging from $0.485 to $0.750 each.

There are no preference shares on issue. Ordinary shares participate in 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.

21. RESERVES

	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Total Reserves $'000
As at 1 July 2019	1,185	(697)	488
Share-based payment transactions	8,237	-	8,237
Translation movement for the year	-	(6)	(6)
As at 30 June 2020	9,422	(703)	8,719
Share-based payment transactions	3,277	-	3,277
Translation movement for the year	-	(149)	(149)
Transfer (1)	(1,200)	-	(1,200)
As at 30 June 2021	11,499	(852)	10,647

(1) Transfer refers to options that were either exercised, forfeited or expired in current and previous periods that have been transferred to accumulated losses (refer to Note 22).

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.

22. ACCUMULATED LOSSES

	2021 $'000	Restated* 2020 $'000
As at 1 July	(57,251)	(39,304)
Loss for the year	(4,765)	(17,947)
Transfer (1)	1,200	-
As at 30 June	(60,816)	(57,251)

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

(1) Transfer refers to options that were either forfeited or expired in previous periods that have been transferred from reserves (refer to Note 21).

23. EARNINGS PER SHARE

	2021 $'000	Restated* 2020 $'000
Earnings used in calculating basic and diluted earnings per share		
Loss attributable to members of the parent entity	(4,765)	(17,947)
Basic and diluted loss per share	Cents	Cents
Cents per share	(1.39)	(5.95)
	Number	Number
Weighted average number of ordinary shares outstanding at 30 June	343,354,110	301,853,464

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

As at 30 June 2021 there are 10,000,000 (2020: 16,218,006) unquoted options on issue.

As the Group incurred a loss for the year, the options on issue have no dilutive effect, therefore the diluted earnings per share is equal to the basic earnings per share.

24. SHARE BASED PAYMENTS

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

	2021 $'000	2020 $'000
Recognised share-based payments expense		
Employee share-based payments expense	1	6,898
Performance rights expense	3,276	1,339
Total expense arising from share-based payment transactions	3,277	8,237

Options

On 2 July 2019 the Company agreed to issue 40,000,000 options (8,000,000 after share consolidation) to Mr Mark Clark (Executive Chairman) and 10,000,000 options (2,000,000 after share consolidation) to Mr Mark Okeby (Non-Executive Director) under the Group's Incentive Option Plan subject to shareholder approval, which was obtained on 27 August 2019.

The following table outlines the number and movements in share options during the year:

	2021 Number of Options	2020 Number of Options
Outstanding as at 1 July	16,218,006	41,390,028
Granted during the year	-	50,000,000
Exercised during the year	(6,218,006)	(2,060,000)
Share consolidation reduction	-	(73,112,022)
Outstanding at end of the year	10,000,000	16,218,006
Exercisable as at 30 June	10,000,000	16,151,339

The Weighted Average Exercise Price ("WAEP") for the year ended 30 June 2021 is $0.7296 (30 June 2020: $0.5591).

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 is 3 years. The inputs used to calculate the fair value of these options are set out below.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The ability to exercise the options is conditional upon the employee remaining with the Group throughout the vesting period.

Performance Rights

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.

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 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:

Grant date	17 Dec 2019	27 Mar 2020	19 Oct 2020	16 Jun 2021	16 Jun 2021
Value at grant date	$1.18	$0.95	$1.77	$1.94	$1.94
Exercise price	nil	nil	nil	nil	nil
Dividend yield	0%	0%	0%	0%	0%
Risk free rate	0.77% - 0.80%	0.38% - 0.39%	0.13% - 0.14%	0.04% - 0.14%	0.04% - 0.14%
Volatility	105% - 126%	107% - 123%	95% - 123%	91% - 118%	91% - 118%
Performance period (years)	1.75 - 2.75	1.85 - 2.85	1.95 - 2.95	1.59 - 2.59	1.59 - 2.59
Test date	17/09/21 & 17/09/22	1/02/22 & 01/02/23	30/09/22 & 30/09/23	18/01/23 & 18/01/24	29/03/23 & 29/03/24
Remaining performance period (years)	1.75 - 2.75	1.85 - 2.85	1.25 - 2.25	1.55 - 2.55	1.55 - 2.55
Weighted average fair value	1.18	0.95	$1.77	$1.94	$1.94

The fair value of the Performance rights granted during the year ended 30 June 2021 was $1,351,250 (2020: $7,047,500).

The ability to exercise the performance rights is conditional upon the employee remaining with the Group throughout the vesting period.

25. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash flow from operations, with loss after income tax:	2021 $'000	Restated* 2020 $'000
Loss after income tax	(4,765)	(17,947)
Non-cash flows in result		
Depreciation	215	192
Impairment of assets held for sale	-	200
Impairment of capitalised exploration expenditure	-	266
Write off of a payment obligation	(323)	-
Fair value (gain)/loss on financial assets	(420)	60
Share based payment	3,277	8,237
Unrealised (gain)/loss on derivatives	(3,638)	4,968
Loss on disposal of fixed assets	-	6
Changes in assets and liabilities		
(Increase)/decrease in receivables	432	(383)
(Increase)/decrease in other current assets	273	(53)
(Increase) in inventories	(13,996)	-
Increase/(decrease) in payables and accruals	(293)	150
Increase in provisions	341	22
Cashflow used by operations	(18,897)	(4,282)

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

Non-cash investing and financing activities

There were no non-cash investing and financing activities during the year ended 30 June 2021 (2020: Nil).

26. COMMITMENTS

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.

	2021 $'000	2020 $'000
Within one year	1,723	1,514
Exploration commitments at reporting date not recognised as liabilities	1,723	1,514

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.

Physical gold delivery commitments

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. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to Macquarie or its agent. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 Financial Instruments. Hence no derivatives are recognised. The contracted sales price is rounded to the nearest dollar.

	Gold for physical delivery ounces	Contracted gold sale price $	Value of committed sales $'000	Mark-to-market $'000
Between one and five years				
- Fixed forward contracts	200,000	2,250	450,000	(25,969)

Mark-to-market has been calculated using the average forward price of $2,379 per ounce as at 30 June 2021.

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.

27. CONTINGENT LIABILITIES

As at 30 June 2021 Capricorn Metals Ltd has bank guarantees totalling $324,294 (2020: $363,364), refer to Note 6.

As at 30 June 2021 the Group has utilised $18 million (2020: $2.5 million) of the $20 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.

28. EVENTS SUBSEQUENT TO REPORTING DATE

There were no material events arising subsequent to 30 June 2021, 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, other than:

Acquisition of Mt Gibson Gold Project

On 28 July 2021 the Company announced the acquisition of the Mt Gibson Gold Project which includes a JORC compliant Inferred Mineral Resource Estimate as well as various prospective mining tenements, associated information, infrastructure, improvements and associated environmental obligations.

The acquisition also involved the assumption of a third party royalty of $10 per ounce of gold produced in excess of 20,000 ounces from certain tenements and the granting of a 1% net smelter royalty over all project tenements for production in excess of 90koz's.

The total consideration for the acquisition was $39.6 million comprised of $25.6 million in cash, from existing cash reserves and funding facilities, plus $14 million settled via the issue of 7.65 million shares in the Company.

Extension of loan facility

In July 2021 the Company finalised a $20 million extension to the Company's $80 million Macquarie debt facility on similar terms to assist with the funding of the Mt Gibson Gold Project.

Exercise of options

On the 28 July 2021 the Company announced that it issued 10 million shares as a result of the exercise of 10 million options at an exercise price of $0.60 each by directors of the Company.

29. 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 and trade and other payables, lease liabilities, derivative liabilities and borrowings.

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.

(a) Categories of financial instruments

	2021 $'000	Restated* 2020 $'000
Financial assets		
Cash and cash equivalents	10,312	45,695
Trade and other receivables	1,325	4,250
Equity investments	1,688	68
Gold forward asset	5,752	5,752
Financial liabilities		
Trade and other payables	18,945	12,691
Lease liabilities	51,055	253
Derivative liability	7,083	10,720
Borrowings	70,000	-

* The comparative information has been restated on account of correction of errors. Refer to Note 34.

Capital 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. As at 30 June 2021, under the Company's ASX listing Rule 7.1 Capacity, the Company could issue up to 15% of it is previously approved issued capital as new shares, therefore Capricorn could issue up to 140,480,001 new shares without requiring shareholder approval.

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.

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

(b) Market risk

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable. In August 2019 Capricorn announced the completion of 200,000 ounces of gold hedging with a forward delivery price of A$2,250 per ounce.

The forwards have a delivery schedule covering 10,000 to 13,000 ounces of gold production per quarter from September 2021 to September 2025 at a flat forward price of $2,250 per ounce. The delivery programme matches debt quantum and amortisation and life of mine production plans.

The Group does not speculate in the trading of derivative instruments. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous year.

(c) 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.

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 do 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. There is no formal foreign currency management policy, however the Group monitors its foreign currency expenditure and foreign subsidiary requirements.

(d) Financial risk management

The Group's management, co-ordinates access to banking facilities, and monitors and manages the financial risks relating to the operations, comprising mainly access to cash, and the level of trade and other payables in accordance with the decisions of the Directors.

In the reporting period, the Group was not exposed to material financial risks of changes in foreign currency exchange rates. Accordingly, the Group did not employ derivative financial instruments to hedge currency risk exposures.

(e) Credit risk

Credit risk is managed to ensure that customers 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.

(f) Interest rate risk

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

	2021 $'000	2020 $'000
Fixed rate instruments		
Cash and cash equivalents	2,369	40,415
Term deposits	324	363
Lease liabilities	51,055	253
Variable rate instruments		
Cash and cash equivalents	7,941	5,279
Borrowings	70,000	-

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 100 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. The analysis is performed on the same basis for 2020.

Liquidity risk

	2021		2020	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Variable rate instruments	779	(779)	53	(53)

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

2021	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	18,945	18,945	18,945	-	-	-	-
Lease liabilities	51,055	65,907	5,368	5,319	10,113	27,673	17,434
Borrowings	70,000	72,724	14,975	18,727	24,805	14,217	-
Total	140,000	157,576	39,288	24,046	34,918	41,890	17,434

2020	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	12,691	12,691	12,691	-	-	-	-
Lease liabilities	253	253	66	68	119	-	-
Total	12,944	12,944	12,757	68	119	-	-

(g) 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	
	2021 $'000	2020 $'000	2021 $'000	Restated 2020* $'000
Level 1	1,688	68	-	-
Level 2	2,500	2,700	(7,082)	(10,720)
Level 3	-	-	-	-
Total	4,188	2,768	(7,082)	(10,720)

Included within Level 1 of the hierarchy are the BlackEarth Minerals NL and DiscovEx Resources Limited shares listed on the Australian Securities Exchange. The fair value of these financial assets have 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 a free hold property asset located in Antanarirvo, Madagascar that is held for sale and the sold gold call option. The fair value of the free hold property asset is based on a valuation that was completed in June 2020. The fair value of the sold gold call option 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 sold gold call option 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.

30. OPERATING SEGMENTS

Basis for accounting for purpose of reporting by operating segments:

Accounting policies adopted

Unless otherwise stated, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group outlined in Note 1.

Intersegmental transactions

Intersegment loans are recognised at the consideration received net of transaction costs. Intersegment loans are not adjusted to fair value based on market interest rates.

2021	Australia $'000	Madagascar $'000	Unallocated $'000	Group $'000
Revenue				
Revenue	-	110	-	110
Other income	110	-	-	110
Total segment revenue	110	110	-	220
Result				
Profit/(Loss) before income tax	(4,621)	(144)	-	(4,765)
Assets/Liabilities				
Segment assets	299,441	4,481	(12,890)	316,812
Segment liabilities	(169,141)	(3,402)	13,809	(186,352)

2020	Australia $'000	Madagascar $'000	Unallocated $'000	Group $'000
Revenue				
Revenue	-	122	-	122
Other income	173	-	-	173
Total segment revenue	173	122	-	295
Result				
Profit/(Loss) before income tax as previously stated	(12,988)	(159)	168	(12,979)
Impact of restatement (refer to Note 34)	(4,968)	-	-	(4,968)
Profit/(Loss) before income tax after restatement	(17,956)	(159)	168	(17,947)
Assets/Liabilities				
Segment assets as previously stated	116,388	7,104	(4,758)	118,734
Impact of restatement	5,752	-	-	5,752
Segment assets after restatement	122,140	7,104	(4,758)	124,486
Segment liabilities as previously stated	(17,803)	(4,862)	4,317	(17,258)
Impact of restatement	(10,720)	-	-	(10,720)
Segment liabilities after restatement	(28,523)	(4,862)	4,317	(27,978)

31. 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. The total remuneration paid to current and former KMP of the Group is as follows:

	2021 $	2020 $
Short term benefits	1,402,956	1,486,973
Other service fees	26,190	115,082
Non-cash benefits	25,601	20,565
Post-employment benefits	119,191	121,682
Share based payments	2,319,250	8,023,460
Annual leave	42,611	23,008
Termination payments	100,000	84,990
Total Remuneration paid to KMP	4,035,799	9,875,760

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	2021	2020
Mazoto Minerals SARL	Madagascar	Exploration	100%	100%
Energex SARL	Madagascar	Dormant	100%	100%
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	Development	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 2021, the net loans from the Parent to its subsidiaries totals $142,599,000 (2020: $112,322,000). This is made up of loans to subsidiaries of $150,385,000 (2020: $119,869,836) with a provision for impairment of $7,786,000 (2020: $7,548,000).

Subsidiaries	Loan $'000	Provision for impairment $'000	Carrying value $'000
Mazoto Minerals SARL	50	(50)	-
Energex SARL	6	(6)	-
Mining Services SARL	452	(452)	-
MGY Mauritius Ltd	2,963	(463)	2,500
Malagasy Graphite Holdings Ltd	6,815	(6,815)	-
Greenmount Resources Pty Ltd	140,099	-	140,099
Total	150,385	(7,786)	142,599

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

32. 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.

	2021 $'000	2020 $'000
Assets		
Current assets	7,402	6,370
Non-current assets	146,932	117,129
Total Assets	154,334	123,499
Liabilities		
Current liabilities	643	1,242
Non-current liabilities	55	136
Total Liabilities	698	1,378
Shareholders' Equity		
Issued capital	180,629	145,036
Reserves	11,500	9,422
Accumulated losses	(38,493)	(32,336)
Total Shareholders' Equity	153,636	122,122
Statement of comprehensive income		
Net loss attributable to members of the parent entity	(7,119)	(12,210)
Other comprehensive income for the period	-	-
Total comprehensive loss for the year attributable to members of the parent entity	(7,119)	(12,210)

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

33. AUDITORS REMUNERATION

	2021 $	2020 $
Amount payable to KPMG Australia		
- Auditing or reviewing the financial report	45,000	31,560

Amounts payable to other audit firms for the audit and review of the financial reports of subsidiary companies was $1,699 (2020: $1,947).

34. CORRECTION OF ERRORS

On 6 January 2020 the Company sold a 16,700 ounce gold call option with a strike price of $2,260 per ounce maturing on 30 June 2025 for a premium of $5.75 million. During the year the Group identified that the call option contract should have been recognised as a derivative financial instrument at fair value on the balance sheet at the date the contract was entered into. A corresponding asset relating to the option premium which was not received in cash but added to the delivery price of the Group's gold forward sales contracts for 200,000 ounces should also have been recognised.

At each reporting date the derivative instrument is subsequently measured at fair value with any movement in fair value being recognised through the profit and loss. The asset will be progressively settled as the 200,000 ounces are delivered into the forward sales contracts.

At 30 June 2020 the derivative is a non-current liability as the option can only be exercised at maturity, the corresponding asset is classified as non-current consistent with the expectation that there will be no gold sales in the following 12 months and therefore the premium will only be recovered subsequently.

The errors have been corrected by restating each of the affected financial statement line items for the year ending 30 June 2020.

The following tables summarise the impacts on the Group's consolidated financial statements.

	Impact of correction of error		
Consolidated statement of financial position **As at 30 June 2020**	As previously reported $'000	Adjustment $'000	As restated $'000
Other assets	539	5,752	6,291
Others	118,195	-	118,195
Total Assets	118,734	5,752	124,486
Derivatives	-	(10,720)	(10,720)
Others	(17,258)	-	(17,258)
Total Liabilities	(17,258)	(10,720)	(27,978)
Accumulated losses	(52,283)	(4,968)	(57,251)
Others	153,759	-	153,759
Total Equity	101,476	(4,968)	96,508
Consolidated statement of profit or loss and OCI **For the year ended 30 June 2020**			
Finance income/(expenses)	88	(4,968)	(4,880)
Others	(13,607)	-	(13,607)
Loss for the year	(12,979)	(4,968)	(17,947)
Total comprehensive loss for the year attributable to members of the parent entity	(12,985)	(4,968)	(17,953)
Loss per share	Cents	Cents	Cents
Basic and diluted loss per share (cents per share)	(4.30)	(1.65)	(5.95)

There was no impact on the total operating investing or financing cashflows for the year ended 30 June 2020.

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 2021 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.

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 2021.

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

29 September 2021

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 2021 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 2021
- 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 the Code.

KPMG

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.

Mine Properties Under Development ($208 million)

Refer to Note 14 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Existence, accuracy and completeness of Mine Properties Under Development related to the Karlawinda Gold Project is a key audit matter due to: • the size of Mine Properties Under Development which represents 70% of the Group's total assets as at 30 June 2021; and • during the period, the Group capitalised $124m of pre-production and construction expenditure as Mine Properties Under Development. Mine Properties Under Development are recorded by the Group in accordance with AASB 116 *Property, Plant and Equipment*. The standard prescribes that expenditure shall be recognised as an asset if, and only if: a) It is probable that future economic benefits associated with the item will flow to the entity; and b) The cost of the item can be measured reliably. The Group uses judgement and estimates in the identification and allocation of cost between operating expenditure, inventory ore stockpiles and capital expenditure. We focused on: • the capitalisation and completeness of expenditure recognised by the Group in accordance with the accounting standards; and • the Group's determination of the extent to which borrowing costs incurred in respect of the $80 million loan facility related to the qualifying asset being Karlawinda Gold Project are capitalised in accordance with the accounting standards.	Our procedures included: • We assessed the appropriateness of the Group's accounting policy against the requirements of the accounting standards and our understanding of the business. • On a sample basis, we tested the allocation of expenditure between operating expenditure, ore stockpiles and capital expenditure by inspecting the nature of source documents, such as supplier invoices underlying the allocation for consistency with the features contained in AASB 116. • Selecting a sample of supplier and contractor invoices processed by the Group prior to year end and post year end. We checked the timing of the Group's recorded Mine Properties Under Development expenditure against the details of the service description on the underlying supplier or contractor invoice. • Assessing the capitalisation of borrowing costs related to the Karlawinda Gold Project being the qualifying asset against the requirements of the relevant accounting standard.

KPMG

Emphasis of matter – restatement of comparative balances

We draw attention to Note 34 to the Financial Report which states that the amounts reported in the previously issued Financial Report for the financial year ended 30 June 2020 have been restated and disclosed as comparatives in this Financial Report. Our opinion is not modified in respect of this matter.

The Financial Report of Capricorn Metals Ltd for the year ended 30 June 2020 was audited by another auditor who issued an unmodified opinion on that Financial Report on 16 September 2020.

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.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do 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.

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
- 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 2021, 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 the Directors' report for the year ended 30 June 2021.

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

29 September 2021

As at 31 August 2021 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 options have any voting rights.

Size of Holding	Number of Shareholders	Number of Shares	Percentage %
1 - 1,000	681	348,525	0.09%
1,001 - 5,000	960	2,690,847	0.73%
5,001 - 10,000	426	3,360,333	0.91%
10,001 - 100,000	795	26,502,661	7.20%
100,001 and over	200	335,403,068	91.07%
Total	3,062	368,305,434	100.00%

There are 122 Shareholders with less than a marketable parcel at a price of $2.47, totalling 3,736 shares.

b) Top 20 Shareholders

Name	Number of Fully Paid Ordinary Shares Held	Percentage %
Citicorp Nominees Pty Limited	69,641,065	18.91
HSBC Custody Nominees (Australia) Limited	31,733,391	8.62
National Nominees Limited	27,351,199	7.43
Samoz Pty Ltd <Clark Family A/C>	21,846,154	5.93
J P Morgan Nominees Australia Pty Limited	17,297,154	4.70
HSBC Custody Nominees (Australia) Ltd <Nt-Comnwlth Super Corp A/C>	10,971,420	2.98
Rollason Pty Ltd	9,148,299	2.48
Centrepeak Resources Group Pty Ltd	7,865,423	2.14
Avenger Projects Ltd	7,570,490	2.06
Mutual Investments Pty Ltd	7,283,360	1.98
Mr Glyn Evans & Mrs Thi Thu Van Evans	7,207,890	1.96
BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	7,158,740	1.94
Piama Pty Ltd	5,500,000	1.49
Macquarie Bank Limited <Metals Mining and Ag A/C>	5,000,000	1.36
Nedlands Nominees Pty Ltd <Windandsea Investments A/C>	4,691,705	1.27
Liberty Management Pty Ltd <The Liberty Super Fund A/C>	4,615,385	1.25
BNP Paribas Noms Pty Ltd <DRP>	4,376,171	1.19
Portbarb Pty Ltd	4,300,000	1.17
Topaz Holdings Pty Ltd <Myles K Ertzen Family A/C>	3,611,539	0.98
HSBC Custody Nominees (Australia) Limited - A/C 2	2,728,444	0.74
Top Twenty Shareholders	259,897,829	70.57
Total Issued Capital	368,305,434	100.00

c) Unlisted Options

There are no unlisted options as at 31 August 2021.

d) Unlisted Performance Rights

Performance Rights Issued Under Employee Incentive Scheme	Number of Option Holders	Number of Options
Unvested 2019 performance rights (Test date: 17 Sep 2021)	2	2,000,000
Unvested 2019 performance rights (Test date: 17 Sep 2022)	2	2,000,000
Unvested 2020 performance rights (Test date: 1 Feb 2022)	10	1,225,000
Unvested 2020 performance rights (Test date: 1 Feb 2023)	10	1,225,000
Unvested 2020 performance rights (Test date: 30 Sep 2022)	4	162,500
Unvested 2020 performance rights (Test date: 30 Sep 2023)	4	162,500
Unvested 2020 performance rights (Test date: 18 Jan 2023)	1	100,000
Unvested 2020 performance rights (Test date: 18 Jan 2024)	1	100,000
Unvested 2020 performance rights (Test date: 29 Mar 2023)	1	100,000
Unvested 2020 performance rights (Test date: 29 Mar 2024)	1	100,000
Total	36	7,175,000

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 31 August 2021 were:

Shareholder	Number of Shares	Percentage %
Hawke's Point Holdings I Limited	34,340,852	9.99
Paradice Investment Management Pty Ltd	30,678,354	8.92
Eley Griffiths Group	22,160,966	6.45
Samoz Pty Ltd <Clark Family A/C>	22,052,000	5.99
Total	109,232,172	31.35

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 AND ORE RESERVES

Bibra Ore Reserve

In April 2020, the Company released an updated reserve and resource statement for the Karlawinda Gold Project (KGP).

The JORC 2012 compliant Ore Reserve estimate was updated to 43.5 million tonnes @ 0.9g/t Au for 1,201,000 ounces for the Bibra deposit (including the Southern Corridor pit) at the KGP, compared to the May 2018 Ore Reserve of 27.6 million tonnes at 1.0g/t gold for 892,000 ounces. The 35% increase in the JORC 2012 compliant Ore Reserves estimate has been due to infill drilling at the Bibra deposit and inhouse open-pit optimisations.

JORC-2012 compliant Ore Reserve as at 30 June 2021:

ORE RESERVE – KARLAWINDA GOLD PROJECT *(A$1600/ounce assumption)*											
			PROVED			PROBABLE			TOTAL ORE RESERVE		
Deposit	Type	Cut-off	Tonnes (Mt)	Grade (g/t Au)	Gold Metals (koz)	Tonnes (Mt)	Gold Grade (g/t Au)	Gold Metal (koz)	Tonnes (Mt)	Grade (g/t Au)	Gold Metals (koz)
Bibra	Open Pit	0.3<	-	-	-	39	0.9	1,090	39.0	0.9	1,090
Southern Corridor	Open Pit	0.3<	-	-	-	4.6	0.8	111	4.6	0.8	111
Total			-	-	-	43.5	0.9	1,201	43.5	0.9	1,201

Notes on the April 2020 Ore Reserve estimate:

1. Ore Reserves are a subset of Mineral Resources.
2. Ore Reserves reported in conformance with the JORC 2012 Code definitions.
3. Ore Reserves are calculated using a gold price of A$1600/ounce.
4. Ore Reserves are calculated using a cut-off grade between 0.3g/t and 0.4g/t Au.
5. 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 to rounding.

Mineral Resource Estimates

In April 2020, the Company announced an updated Bibra Mineral Resource estimate (inclusive of Ore Reserves) of 86.7 million tonnes at 0.8g/t gold for 2,145,000 ounces. This has increased by 41% or 620,000 ounces compared to the May 2018 estimate of 50.96 million tonnes @ 0.9 g/t Au for 1,525,000 ounces.

The company acquired the Mt Gibson Gold Project in July 2021, a project with historical gold production (in excess of 868,000 ounces) between 1986 – 1999. An updated Mineral Resource Estimate was completed by the company of 79.7 million tonnes at 0.8g/t gold for 2,083,000 ounces.

JORC-2012 compliant Mineral Resource Estimate as at 30 June 2021:

MINERAL RESOURCE – CAPRICORN METALS LTD *(A$2000/ounce assumption)*											
			INDICATED			INFERRED			TOTAL MINERAL RESOURCES		
Deposit	Type	Cut-off	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)
KGP	Open Pit	0.3<	67.2	0.8	1,722	19.5	0.7	422	86.7	0.8	2,145
MGGP	Open Pit	0.4<	-	-	-	79.7	0.8	2,083	79.7	0.8	2,083
Total			67.2	0.8	1,722	99.2	0.8	2,505	166.5	0.8	4,228

Notes on the April 2020 Mineral Resource estimate:

1. Mineral Resources are calculated using a gold price of A$2,000/ounce.
2. Mineral Resources are calculated 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 to rounding.
4. See ASX announcement dated 17 April 2020 for Mineral Resource announcement on KGP and 28 July 2021 for MGGP.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr. William Higgins who is a full-time employee of the Company. Mr. Higgins is a current Member 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. Higgins 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 Mineral Resources is based on information compiled by Mr. Jarrad Price who is Resource Geologist and an employee of the Company. Mr. Jarrad Price is a current Member 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. Daniel Donald. Mr. Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr. Donald 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. Donald 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 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.

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.

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.

6. 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%
E52/3533	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%
M59/328[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
M59/402[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
M59/403[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
M59/404[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
E59/2450	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
E59/2546	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
E59/2594	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
E59/2606	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
E59/2608	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	-
E59/2611	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	-
E59/2612	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	-
P59/2286	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2287	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2290	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2291	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2292	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2293	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-

P59/2294	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2295	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2296	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2297	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2298	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2299	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2300	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2301	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2302	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2303	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2304	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2305	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2306	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2309	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
P59/2310	Mt Gibson	Crimson Metals Pty Ltd	Western Australia	Application	-
L59/12[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
L59/140[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
L59/16[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
L59/198	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	-
L59/45[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
L59/46[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
L59/53[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/11[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/12[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/13[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/14[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/15[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/16[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/17[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/18[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/48[1]	Mt Gibson	Extension Hill Pty Ltd	Western Australia	Granted	100%
G59/67	Mt Gibson	Greenmount Resources Pty Ltd	Western Australia	Application	-

Notes:

(1) Under the terms of the Sale and Purchase Agreement between the Company and Extension Hill, the Company has purchased a number of mining tenements at Mt Gibson from Extension Hill. The tenement transfer documentation has been lodged with the Department of Mines, Industry Regulation and Safety. As at the date of this report the transfer of tenements are pending.

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