

**ENVIRONMENTAL,
SOCIAL &
GOVERNANCE
REPORT**



**20
25**



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FY25 SUSTAINABILITY ACHIEVEMENTS

Zero material environmental incidents in FY25	Approved KEP Mining Proposal and Mine Closure Plan	Completed 14 cultural heritage surveys with Traditional Owners
Established an ESG Working Group	39% of water use from reused and recycled sources	Recycling program raised \$14,357 for Perth Children's Hospital
No reported incidents of serious misconduct in FY25	88% of procurement spend invested locally in WA	Enhanced topsoil rehabilitation with aerial drone imagery

OUR SUSTAINABILITY APPROACH & SCOPE

We are very pleased to present Capricorn's FY25 Environmental, Social and Governance (ESG) Report, which consolidates the sustainability topics and performance metrics most impactful to Capricorn and our stakeholders. The report covers our Karlawinda Gold operations in the Pilbara (KGP), our Mt Gibson development project in the Murchison (MGGP) and our corporate head office in Perth (HO).

This year we have continued to progress our baseline ESG data, integrating our strategic goals, stakeholder expectations, and regulatory developments into our disclosures. We recognise that responsible stewardship of environmental, social, and

governance initiatives is important not only to shareholders but also in shaping our relationships with employees and local communities and in influencing the environmental footprint of our projects.

This report is prepared with reference to the Global Reporting Initiative (GRI) 2021 Standards and covers the period from 1 July 2024 to 30 June 2025. It has been approved by Capricorn's Board of Directors and should be read together with the financial and governance information presented in this Annual Report.



STAKEHOLDER ENGAGEMENT

Capricorn is dedicated to maintaining open, constructive dialogue with our diverse internal and external stakeholders. These groups are essential to the success of our projects and underpin our social license to operate. We have identified our key stakeholder groups and outline the aims and priorities of our engagement in the table below. Communications with stakeholders vary by purpose and may take place through both formal and informal channels.

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

MATERIALIALITY

To maintain consistency and ensure an appropriate scope is held, we have decided to continue reporting on the same material topics as our previous Sustainability Report¹. According to the Global Reporting Initiative, material issues are those topics that reflect its most significant impacts on the economy, environment and people. We will look to conduct a formal materiality review next year to ensure we continue to meet industry benchmarks and stakeholder expectations. This review will involve the Company's ESG project team, comprising members of senior management, the Risk Management and Sustainability Committee (RMSC), the Board and external ESG consultants.

Material Topics

Our nine material topics selected for reporting in FY25 are listed in the pillars on the right. Our material topics reflect the current focus of the company and inform the content of this report.

¹ For more information about the materiality assessment process, please refer to the ESG Report 2024.


ENVIRONMENT
Biodiversity & Environmental Approvals
Water Management
Climate Change & Emissions

SOCIAL
Health, Safety & Wellbeing
Cultural Heritage
People – Attraction & Retention
Diversity & Equal Opportunity

GOVERNANCE
Business Ethics & Governance
Economic Performance

REPORTING STANDARDS

Global Reporting Initiative
Capricorn has elected to integrate disclosure guidance from the Global Reporting Initiative Standards, along with metrics aligned to the GRI principles of organisational context, governance structure, and the processes for materiality assessment and prioritisation.



Australian Accounting Standards Board (AASB)
Legislation was passed in 2024 requiring many Australian companies to disclose climate risks and opportunities in their annual sustainability reports. The AASB has developed two new standards: AASB S1 being voluntary for general sustainability disclosures and AASB S2, focused on mandatory climate-related disclosures. The phased implementation is based on size, assets, and revenue thresholds, offering stakeholders greater insight into climate-related risks and opportunities. In 2025, we began setting up key processes and systems to ensure we are prepared to fulfil these disclosure requirements.



Australian Government
Australian Accounting Standards Board

References in this report, including, 'CMM', 'Capricorn Metals', 'Capricorn', 'we', 'our', or 'the Company' refer to Capricorn Metals Ltd and its controlled entities.

ENVIRONMENT

Biodiversity, Environmental Management & Approvals

We acknowledge that our operations, particularly through clearing, ground disturbance, vehicle movement and waste disposal can have a significant impact on the ecosystems within our Pilbara (KGP) and Murchison (MGGP) tenements.

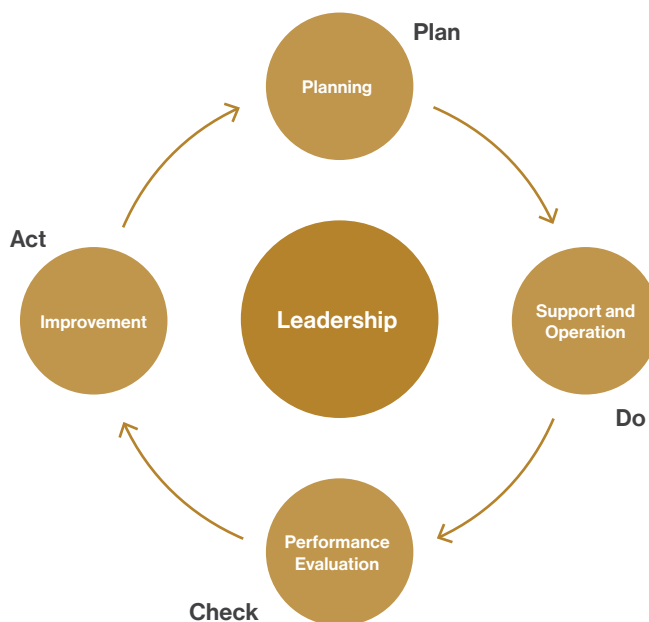
Our environmental responsibilities are managed through the Environment, Community and Heritage Policy, available on our website, and the Environmental Management System (EMS). Together, these provide a structured approach to identifying, managing and mitigating potential impacts on waterways, vegetation and fauna. In FY25, our approach was effective, with no material environmental incidents recorded.

Environmental Management System

Capricorn utilises an EMS to identify, assess and manage potential biodiversity and environmental impacts, as well as mitigate compliance risks across its operations. A key component of the EMS is the Environmental Management Plan (EMP), which provides a framework for managing environmental factors across all activities and ensuring compliance with regulatory obligations of our projects. The EMP also works to reduce business risks linked to poor environmental outcomes in operations and exploration, while minimising unintended environmental impacts.

Aligned with ISO14001:2015, the international standard for environmental management systems, the EMS is consistently reviewed and updated to ensure:

- + Capricorn's environmental objectives and targets are achieved.
- + All legal and regulatory obligations are clearly understood and consistently met.
- + Environmental management activities are well-defined and implemented.
- + A strong commitment to responsible environmental stewardship is demonstrated across operations.
- + Continuous improvement is promoted through the Plan-Do-Check-Act (PDCA) framework.



Vegetation

Biannual assessments of Groundwater Dependent Vegetation (GDV) are conducted at four sites on the Weelarrana pastoral station, adjacent to KGP. A fifth monitoring point within the mine site was added to the program in FY24 to further enhance the programs ability to identify any threatened species that may be affected by dewatering activities in the surrounding area.

Assessment findings, which can be found in Capricorn's 2025 GDV report, show consistent results across reporting periods, concluding that mining activities are highly unlikely to impact the health of surrounding vegetation habitats. This conclusion is supported by hydrogeological modelling of our Groundwater Operating Strategy (GWOS), which demonstrates that groundwater drawdown from dewatering is mostly contained within the project area, with only limited spread east-west along the Lower Dolomite, and natural geological barriers restricting any further movement north and south.

Fauna

Consistent with our active Native Fauna policy, our employees and contractors are supported through protective measure trainings for native fauna at our projects. This includes an environmental and cultural awareness induction, certified snake and fauna handler training, and specified actions in the case of an injured animal.



Rehabilitation

During FY25, we continued the rehabilitation inspection program, which first commenced in 2021. This rehabilitation protocol involves a biannual inspection of 20 stockpile points spread across the KGP, including the Tailings Storage Facility (TSF), waste dump, plant, ROM and aerodrome.

The program aims to establish stockpile soil vitality and evaluate changes in pioneer and successive vegetation species. In FY25, the method of inspection evolved from fixed photographic points on the ground to aerial drone photographs, allowing for enhanced imagery and topsoil verification.

A total of 49,719m³ of topsoil was stockpiled during the reporting period, increasing the total volume available for rehabilitation at closure to 651,768m³.

Rehabilitation Performance

During the year, an additional 188ha (2024: 51ha) of land was disturbed across our projects, bringing the total area requiring rehabilitation to 1,895ha (2024: 1,656ha). Currently, 142ha of transport and service infrastructure disturbance is under active rehabilitation, accounting for 6.6% of total land disturbance at our operations.

Land disturbance & rehabilitation	Unit	KGP	MGGP	Total
Land disturbed at the beginning of the reporting period	Hectare	1,192	774	1,966
Newly disturbed land	Hectare	52	136	188
Gross land disturbed at the end of the reporting period	Hectare	1,244	910	2,154
Newly rehabilitated land to agreed end use	Hectare	23	64	87
Total land rehabilitated to date	Hectare	183	76	259
Total current land disturbed (for future rehabilitation)	Hectare	1,061	834	1,895
Total land disturbance rehabilitated to date	%	15	8	12



Tailings

The Karlawinda Gold Project operates under licence from the Department of Water and Environmental Regulation (DWER) and in accordance with its site-specific TSF Operation Management Plan. Capricorn is responsible for ensuring the TSF is operated safely and in full compliance with all regulatory requirements.

The plan provides the protocols for how tailings are deposited and supernatant water is recovered, ensuring that storage practices prioritise safety, water efficiency, and environmental protection, while remaining consistent with design parameters, regulatory obligations, and Capricorn's corporate policy commitments.

Oversight of the TSF remains effective, with routine daily inspections of delivery infrastructure, return water systems and containment areas, and annual independent external audits. The FY25 audit confirmed that, at the time of review, the facility was being managed to a high standard, with operations, maintenance, and monitoring all meeting licence conditions and tenement requirements. This assessment was completed prior to a seepage incident discussed further under the Water Management topic. Capricorn has since investigated the matter through an independent geotechnical engineer, with results showing negligible impact, and has addressed it as part of its ongoing commitment to enhancing operational integrity and environmental stewardship.

Capricorn's TSF Design Report was prepared in accordance with DEMIRS requirements and Codes of Practice. In addition to these guidelines, the design presented in the TSF report follows the guidelines of ANCOLD, 2019. The assigned consequence category will determine the water management requirements, including freeboard and stormwater storage capacity, as well as the geotechnical embankment design criteria.

Waste Management & Recycling

Sustainable waste management is continuously encouraged within our site operations, among the initiatives in place are:

- + Reduction of disposable paper cups, cutlery and food containers by providing reusable substitutes to all Capricorn personnel on site.
- + Our recycling program for cardboard, aluminium cans, PET bottles and glass continued throughout the year, helping to cut overall waste volumes and generating more than \$14,357 for FY25 and \$41,675 since inception, in support of our designated charity, the Perth Children's Hospital (PCH).
- + Capricorn's cardboard recycling initiative also prevented 16.8 tonnes ending up as landfill.

Environmental Approvals

During the year the Company prepared and submitted a Mining Proposal and Mine Closure Plan for the Karlawinda Expansion Project (KEP) which was approved by DEMIRS in July 2025.

Through the year the Company continued to advance the environmental approvals process for the MGGP, with Capricorn engaging closely with regulatory agencies such as Department of Climate Change, Energy, the Environment and Water (DCCEEW), EPA Services and DEMIRS.

As part of the assessment process, the MGGP has been referred under the Environmental Protection and Biodiversity Conservation Act (EPBC Act) and will be assessed as a controlled Action.

Capricorn applied for a 5C Licence amendment to the existing MGGP licence to the Department of Water and Environmental Regulation (DWER).

A Public Environmental Report was submitted for review by the Environmental Protection Authority (EPA) and the Department of Climate Change, Energy, Environment and Water (DCCEEW).

The Company maintains its focus on minimising its footprint on local ecosystems, protecting native flora and fauna, and ensuring sustainable water use throughout the approvals process for both projects

FY26 Focus for KGP

- + Rehabilitation of waste rock landforms that were deferred last year.
- + Completion of the KEP case study examining how increased direct ROM ore and renewable integration can reduce land disturbance, emissions, and fossil fuel use.
- + Rehabilitation of North Waste Dump first lift, seeding to be completed in December 2025.
- + Continued operation of solid waste recycling on site, with main focus on cardboard, aluminium cans, glass bottles and plastic bottles.

FY26 Focus for MGGP

- + Approval of the MGGP Public Environmental Report (PER) to the Department of Climate Change, Energy, Environment and Water (DCCEEW).
- + Approval of the MGGP Environmental Review Document (ERD) to the Environmental Protection Authority (EPA) Services in accordance with the EPA Act.
- + Submission and approval of the MGGP Mining Development Closure Proposal for assessment and approval by DMIRS.
- + Preparation, submission and approval of Works Approval Application (WAA) to and by DWER for the construction and operation of the Processing Plant, Tailings Storage Facility, Power Generation and landfill required for the execution and operation of the MGGP.

Water Management

Responsible water management is a top priority at Capricorn, as a vital natural resource and critical requirement for ore processing. Therefore, we recognise the significance of using water responsibly and reducing the impacts of our activities on this precious resource.

Our dedication to responsible water stewardship and sourcing is guided by our EMS and Environment, Community and Heritage Policy. At KGP, we follow the principles set out in our Water Operating Strategy, while at MGGP all water is currently procured from third-party suppliers.

Water Operating Strategy

In FY25, at KGP we continued to manage and implement the updated Water Operating Strategy, that was submitted to DWER in FY24 as part of our ongoing commitment to responsible water stewardship.

Conceptual water balance integrates site-specific water usage at KGP. This regular monitoring of operational activities acts as a critical support in the identification of potential environmental impacts, improving hydrogeological conceptual models, and informing groundwater regime modelling.

The specific objectives of our monitoring program include:

- + Proactive identification of potential environmental impacts.
- + Continuous assessment and refinement of the hydrogeological conceptual model.
- + Evaluation and communication of operational impacts on the groundwater regime.

Water Efficiencies

In FY25, Karlawinda achieved a 39% water recovery rate from the TSF. The risk of water stress across our operational areas at KGP remains low to negligible, as our operations neither rely on surface water sources nor compete with other users for water allocation.

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

- + Ongoing recovery and recycling of water from vehicle servicing operations.
- + Treated washdown water continues to be repurposed for dust suppression across site areas.
- + Daily visual inspections of TSF delivery and water return pipes and containment corridor for any visible leakage or damage.
- + Weekly inspections are conducted on all water pipelines, with regular maintenance and focus on correct operation of bore field infrastructure.
- + Periodic reviews of site water balance to identify potential improvements to water efficiency, particularly when operational demand or overall water usage change significantly.
- + Water efficiency practices remain under regular review with outcomes documented in the annual monitoring reports.



Water Management Performance

In FY25 there was one incident reported to DEMIRS and DWER who were satisfied with the results of an investigation by an independent geotechnical engineer, that the environmental impacts were negligible and that appropriate mitigation measures had been implemented.

Total water use across our operations was 3,571ML, a 7% increase from FY24 mainly due to increased production, most of which was sourced from KGP bores. A groundwater application was approved by the DWER in April 2025, increasing the annual entitlement from 4000 ML to 5000 ML. Through our recycling and reuse initiatives, we were able to meet 39% of our overall demand, while water extraction at KGP remained well below the licensed annual entitlement.

Withdrawn water	Unit	HO	KGP	MGGP	Total
Surface water withdrawn	ML	-	-	-	-
Borefield water withdrawn	ML	-	3,417	-	3,417
De-watering	ML	-	146	-	146
Third party water withdrawn	ML	0.3	-	7.5	8
Total	ML	0.3	3,563	7.5	3,571

Recycled water	Unit	HO	KGP	MGGP	Total
Water reused - reverse osmosis	ML	-	20	-	20
Other	ML	-	-	-	-
Total	ML	-	20	-	20

Reused water	Unit	HO	KGP	MGGP	Total
Tailing decant return	ML	-	2,259	-	2,259
Other	ML	-	-	-	-
Total	ML	-	2,259	-	2,259

Mt Gibson Gold Project

In FY25, water use for exploration and evaluation activities continued to be provided via third party deliveries. Further work was completed during the year as part of the environmental approval process.

FY26 Focus

- + Continued management and implementation of the Water Operating Strategy at KGP, aiming to reduce dewatering requirements. Assessments are also being undertaken to evaluate options to safely return any residual water to the environment.
- + Continue to work collaboratively with regulatory bodies to advance environmental approvals at MGGP.

Climate Change and Emissions

In response to the evolving global climate, we are committed to reducing our carbon footprint by managing emissions and adapting our operations to support a low-carbon economy. Climate-related risks are overseen by our Risk Management and Sustainability Committee (RMSC), whose responsibilities are defined in our Risk Management & Sustainability Charter, available on our website. Climate is a standing agenda item for Committee meetings.

We are actively aligning our climate risk disclosures with the Australian Accounting Standards Board (AASB) S2 requirements. These standards integrate the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations and address key areas including governance, strategy, risk management, and metrics and targets. To support this alignment, we have initiated the implementation of key processes and systems to ensure readiness to meet these disclosure obligations.

Climate Risk

Climate risk and emissions remain a key material topic, with direct oversight provided at Board level through the RMSC. At management level, the ESG Working Group is responsible for implementing the Company's climate strategy on a day-to-day basis. During the year we formalised our ESG Working Group Charter to embed these responsibilities.

In May 2025, our ESG Working Group, comprising seven senior representatives of various parts of the business and two directors from the RMSC, including the Chair, participated in a climate risk assessment. This process reviewed emerging climate risk requirements, including the Australian Sustainability Reporting Standards, AASB S2 requirements.

In November 2025, our ESG Committee will host a Climate Scenario Analysis workshop to explore how the business might navigate a range of plausible future climate conditions. This exercise is designed to assess our ability to anticipate and respond to climate-related risks and opportunities, sharpen strategic thinking, and reinforce decision-making that safeguards both operation resilience and long-term sustainability. Key findings from the workshop will be presented in Capricorn's FY26 Sustainability Report.

Capricorn has not yet established formal climate-related targets. Our current focus is on building capability, strengthening data readiness, governance frameworks and scenario analysis to better understand climate-related risks and opportunities. These foundational activities will inform any future consideration of climate-related target setting and support transparent, resilient decision-making aligned with our sustainability objectives. As a result, we do not currently include climate-related metrics to our remuneration policies.

Emissions & Energy Efficiencies

At our operations, gas and diesel are the primary non-renewable fuels driving both energy use and associated emissions. Capricorn prioritises the use of gas rather than diesel as the main energy source at KGP, to reduce greenhouse gas emissions, with the same strategy planned for MGGP.

Ongoing optimisation studies at MGGP targeted improvements in plant and pit design, and waste handling, supporting more efficient processes and lower energy and diesel requirements.

Both projects are currently assessing opportunities to integrate renewable energy. Current studies are evaluating the potential use of solar array and/or wind turbines to provide an economically viable contribution to site power needs.

Capricorn does not currently apply carbon pricing in its investment or operational decision-making processes, and the use of carbon credits has not yet been considered. This approach reflects our current focus on understanding and assessing climate-related risks and opportunities through initiatives such as the planned Climate Scenario Analysis workshop in November 2025. At present, we monitor and report on our Scope 1 and 2 emissions. In FY26, Capricorn intends to expand its greenhouse gas inventory to include baseline calculations for Scope 3 emissions, further enhancing our understanding of climate-related impacts across the value chain.

Dust Management

Dust management remains a key focus across our operations to safeguard our people, the environment and to support safe mining practices.

Following the FY24 upgrade of the dust suppression system in the KGP process crushing circuit, Capricorn continued to implement road dust treatments using the Dust Stop additive.

Other dust controls include:

- + Continuous use of water carts, applying dewatering water across haul roads and other dust-prone areas
- + Upgraded return scrapers on conveyor belts
- + Restricted traffic zones to limit vehicle movement in high-risk areas
- + Enforced speed limits and signage in designated work zones
- + Ongoing road maintenance supported by formal inspections and audits

Energy and Emissions Performance

Our annual emissions are reported in alignment with the *National Environmental Protection (National Pollution Inventory)* and the *National Greenhouse and Energy Reporting Act 2007*. The methodology used to calculate our Scope 1 & 2 emissions is in accordance with the *National Greenhouse and Energy Reporting Act*.

Total greenhouse gas emissions for FY25 were 114,032 tonnes of carbon dioxide equivalent (t CO₂-e), comprising of 114,019 t CO₂-e of scope 1 emissions and 12 t CO₂-e. Total greenhouse gas emissions increased 23% from the prior year reflecting increased material movement and gold production.

Energy consumption	Unit	Head Office	KGP*	MGGP	Total
Diesel	GJ	-	911,315	1,612	912,927
Liquified Natural Gas	GJ	-	879,181	-	879,181
Oils and Grease	GJ	-	15,283	-	15,283
Electricity from grid	GJ	89	-	-	89
Total	GJ	89	1,805,779	1,612	1,807,480
Percentage from renewable sources	%	-	-	-	-

* Data includes Contractors

Emissions	Unit	Head Office	KGP*	MGGP	Total
Total Scope 1 emissions	t CO ₂ -e	-	109,638	4,381	114,019
Total Scope 2 emissions	t CO ₂ -e	12	-	-	12
Total	t CO₂ -e	12	109,638	4,381	114,032

* Data includes Contractors

Air emissions	Unit	KGP*	Total
Carbon monoxide	kg	328,000	328,000
Lead & compounds	kg	180	180
Mercury & compounds	kg	3	3
Oxides of nitrogen	kg	608,000	608,000
Particulate Matter 10.0 um	kg	4,730,000	4,730,000
Particulate Matter 2.5 um	kg	37,200	37,200
Sulphur Dioxide	kg	336	336
Total volatile organic compounds	kg	30,200	30,200

* Includes KGP only. Data is not required for MGGP as the project is not in production

FY26 Focus

- + Future priorities at the KGP include:
 - + ensuring the KEP is completed efficiently and is successfully integrated into the existing operations.
 - + Continue to assess options for renewable integration as part of the KGP's long-term energy strategy.
- + At MGGP Capricorn will continue studies to optimise its power generation system, including consideration of renewables to reduce fossil fuel dependence.
- + Commence baseline calculations for Scope 3 emissions inventory.

SOCIAL

Health, Safety & Wellbeing

Ensuring a safe and healthy work environment is a human right and underpins our entire business operations. We expect all employees, contractors, and visitors to return home safely.

We are committed to ongoing improvements in health and safety while fostering accountability for maintaining a safe workplace. Our health management and monitoring plans apply to all staff and contractor groups, and we encourage open dialogue and responsive actions on feedback.

Our dedication to minimising physical and psychosocial harm is supported by our policies, Risk Management Framework, and Mine Safety Management Systems tailored to each project. Company policies that support the health, safety and wellbeing of our employees and contractors include:

- + Bullying, Harassment & Discrimination Policy
- + Mental Health and Wellbeing Policy
- + Diversity & Inclusion Policy
- + Noise Control Policy
- + Fitness for Work Policy
- + Privacy Policy
- + Health and Safety Policy
- + Workplace Rehabilitation Policy

These policies foster an inclusive, supportive culture, steer the creation of a safe workplace and safe ways of working, and incorporate measures that promote the mental health and wellbeing of our people.

Health and Safety Management Systems

Our project-level Mine Safety Management Systems are aligned with ISO 45001, externally audited against the WHS (Mines) Regulations 2022 and cover both staff and contractor arrangements. They comprise:

- + Governance & Legal Compliance – Roles, responsibilities, statutory appointments, and legislative mapping.
- + Risk Management Framework – Hazard identification, risk assessment, and critical control management.
- + Safety Policies & Objectives – Health and safety policy, KPIs, and worker participation.
- + Training & Competency – Training needs analysis, role-based training, and verification of competency (VoC).
- + Safe Systems of Work – JHA/SOP's, Permit to Work systems, and isolation/lockout procedures.
- + Emergency Management – Emergency response plans, ERT training, and communication systems.

- + Health & Hygiene Management – Occupational health programs, fatigue, and psychosocial risk management.
- + Incident Reporting & Investigation – investigation methodology and process, notification and escalation requirements.
- + Monitoring, Auditing & Review – Inspections, audits, and management reviews for continuous improvement.

In FY25 we completed full integration of the People Tray WHS Software System across all sites to strengthen our reporting and assurance activities. This has allowed us to replace manual reporting with automated workflows. As a result, there was an increased uptake of safety reporting via digital tools, contributing to a 59% rise in proactive hazard reporting.

We also strengthened our contractor management framework and completed an annual Mine Safety Management System audit.

Safety and Training

Safety and training initiatives in FY25 included:

- + Ongoing safety leadership development program for supervisors and statutory appointments focusing on effective communication, feedback and decision-making.
- + Completion of over 11,000 hours of WHS training for employees and contractors.
- + Appointment of an additional site-based Safety Advisor and a Training Advisor to support operations.

Health and Wellbeing

Health and Wellbeing initiatives in FY25 included:

- + Expanded partnership with external providers to deliver on-site mental health and wellbeing training and workshops.
- + Social and sporting events run quarterly in collaboration with site social clubs.
- + Employee Assistance Program (EAP) engagement increased by 20% through targeted awareness campaigns.

Emergency Preparedness

We continue to maintain a proactive approach to emergency preparedness by partnering with leading external trainers to provide training in vehicle extrication, hazardous materials, and aerodrome emergency response. These external stakeholders include the WA Police Force, Department of Fire and Emergency Services, and the Royal Flying Doctor Service. We also conduct weekly scenario-based team training and offer Cert III Mine Emergency Response and Rescue courses for selected ERT members.

Health and Safety Performance

In FY25, Capricorn achieved a 33% reduction in the Total Recordable Injury Frequency Rate (TRIFR) from the prior year.

There were seven recordable injuries resulting in a TRIFR of 6.52. Six of the seven recordable injuries were considered of low severity and duration, whilst one of the seven is musculoskeletal related and remains under management.

The Mine Safety Management System, structured in accordance with the WHS (Mines) Regulations 2022, governs our safety framework. All injuries are managed in line with the Company's Workplace Rehabilitation Policy and Procedure.

Health & Safety Statistics ¹ – Employees & Contractors	Unit	FY25	FY24
Fatalities	Number	0	0
High consequence work-related injuries	Number	0	0
Lost time injuries (LTI)	Number	1	0
Lost time injury frequency rate (LTIFR)	Rate	0.93	0
Medical treatment injuries (MTI)	Number	2	3
Medical treatment injury frequency rate (MTIFR)	Rate	1.86	3.31
First aid injuries (FAI)	Number	34	27
Restricted work injuries (RWI)	Number	4	5
Restricted work injury frequency rate (RWIFR)	Rate	3.72	6.43
Total recordable injuries (TRI)	Number	7	8
Total recordable injury frequency rate (TRIFR)	Rate	6.52	9.74
Total hours worked	Number	1,074,291	905,376

¹ Capricorn LTIFR, MTIFR, TRIFR and RWIFR are calculated by the number of relevant injuries divided by the total hours worked x 1,000,000 hours worked.

Work-related ill-health	Unit	FY25	FY24
Fatalities as a result of work-related ill health - Employees	Number	0	0
Cases of recordable work-related ill health - Employees	Number	0	0
Fatalities as a result of work-related ill health - Contractors	Number	0	0
Cases of recordable work-related ill health - Contractors	Number	0	0
Total recordable cases of work-related ill health	Number	0	0

FY26 Focus

In FY26 we plan to:

- + Externally audit critical control verification activities to identify any gaps between current tools and ICMM best-practice guides.
- + Demonstrate over 90% role based training compliance by enhancing integration between the Learning Management System (LMS) and compliance system, and improved reporting.
- + Expand access to wellbeing resources and EAP, and commence the Lifeline WA Minder program across KGP and MGGP.
- + Improve investigation quality through ICAM training for all supervisors.
- + Implement Permit to Work (PTW) system enhancements, supported by updated training packages.

Cultural Heritage

In Australia, many mining projects are located on or near lands with cultural significance to indigenous communities. Respecting and preserving this cultural heritage are essential for maintaining positive relationships with these communities. We honour the cultural heritage of our Traditional Owners—the Niyaparli, Ngarlawangga (at the KGP), and Badimia people (at the MGGP)—as a key part of our social license to operate.

Protecting heritage underpins the sustainable future of our operations by guiding environmental care, safeguarding historic sites, and supporting the cultural identities of nearby communities. Demonstrating a commitment to cultural heritage preservation is a crucial aspect of the company’s social responsibility efforts. It can help maintain a positive public image and secure community support.

This commitment is articulated in our Environment, Community and Heritage Policy. We believe genuine consultation with Aboriginal communities is essential to respecting cultural heritage and building trusted relationships. While Australian law requires us to obtain consent for activities that may impact cultural heritage sites, we see this obligation as the foundation, not the goal, of how we engage.

Cultural Heritage Performance

We have a heritage agreement with the Ngarlawangga People and Land Access Agreements with the Niyaparli People and the Badimia People that set out agreed terms and shared objectives to ensure we meet our access obligations. Heritage monitoring, notices and consultation requests were completed at both projects to facilitate access for exploration activities. In addition, we have:

- + Cultural awareness information communicated to onsite personnel
- + Annual meetings with Traditional Owners
- + Ongoing engagement on heritage surveys
- + Heritage sites kept confidential and unmarked, per requests from our Traditional Owners

At Karlawinda, seven cultural surveys were conducted in FY25 involving one ethnographic and six archaeological surveys. The surveys were undertaken to facilitate exploration activities including the clearance of access tracks, and the construction of drill pads for air core and/or reverse circulation drilling.

During the year, we contributed \$4,905,605 in payments to Traditional Owners, a 27% increase from the prior year, mainly due to increased royalty payments from a higher gold price.

A breakdown of these payments is presented below. There were no incidents of non-compliance involving the rights of Traditional Owners during FY25.

Heritage Payments	KGP		MGGP	
	FY25	FY24	FY25	FY24
Royalties	\$4,513,526	\$3,513,228	-	-
Northside	\$2,038	-	-	-
Heritage link	-	-	\$198,015	\$240,668
Karlka	\$390,041	\$376,472	-	-
Total contributions	\$4,905,605	\$3,784,500	\$198,015	\$240,668

FY26 Focus

- + Increase cultural awareness inside the company by improving cultural awareness digital training.
- + At our Mt Gibson site, all personnel will receive cultural training provided by Badimia elders by the end of 2025. All members of the exploration team will take part in at least one Badimia heritage walk in 2025.

People – Attraction, Retention & Engagement

Capricorn concentrates on cultivating a workplace culture that draws in, develops, and keeps talented individuals. Our objective is to accomplish this by delivering competitive pay and benefits, supplying avenues for career advancement, and fostering a constructive and cooperative work culture.

These commitments are overseen by our Remuneration, Nomination and Diversity Committee, which oversees policy review, strategic guidance, and recommendations to strengthen our efforts.

Policies currently in place include:

- + Remuneration, Nomination and Diversity Committee Charter
- + Code of Conduct
- + Diversity Policy
- + Bullying Harassment and Discrimination Policy
- + Performance Evaluation Policy

Strategic Workforce Planning

Capricorn's strategy for attracting, recruiting, and retaining employees focuses on providing strong value. This includes engaging employees, offering competitive pay, and providing meaningful rewards. By encouraging continuous training and development, Capricorn ensures that employees feel valued, which increases job satisfaction and loyalty.

Important parts of this strategy include the following procedures:

- + *Intention to Recruit*: Detailing recruitment goals both inside and outside the company
- + *Amendment to Employment Conditions*: Updating employment conditions that support employee growth and satisfaction
- + *General Training Record*: Keeping training records to ensure clear paths for advancement
- + *Annual Performance*: Tracking employee progress and reinforcing commitments for development

Other initiatives in place include a graduate program for final-year university students or recent graduates. This two-year program includes business, operational, and technical placements to help graduates understand the whole business. Positions are mainly fly-in fly-out options from Perth. Graduates receive ongoing training, mentorship, and access to a supportive network. We also offer a Vacation program for university students to get hands-on experience during summer and winter breaks, working with mentors in specific areas. Apprentices can also join a structured training program lasting from 12 months to 4 years, leading to a nationally recognised trade qualification. This program includes classroom learning and on-the-job training.

Attraction, Retention & Engagement

Our integrated approach attracts talent and nurtures it in a supportive environment focused on growth and engagement. By continually updating its recruitment and retention strategies, the organisation positions itself as an employer of choice, ready to meet the changing needs of our workforce and stay competitive in the industry.

During FY25, we conducted performance and career development reviews for the majority of our employees. These reviews serve as a valuable opportunity to examine how well work competencies align with current outcomes and pathways. By focusing on this alignment, we can better understand whether our workflows are effectively supporting the skills, competencies, practices, and techniques that have been established for each employee's role.

These evaluations provide valuable insights that help uncover opportunities for improvement and growth, enabling employees to excel in their roles. By analysing these factors, the review can effectively highlight gaps and areas that can be improved. Furthermore, it underscores the importance of regularly updating the workflows and roles to align with evolving industry standards and practices, ensuring that participants are well-equipped with the skills and knowledge needed for success.



Attraction, Retention & Engagement and Training Performance

During FY25 we hired 39 new employees, and our turnover rate was 27% (2024: 28%) reflecting increased activity and competition in the mining industry.

A total of 6,637 hours of training was undertaken by employees during the year, resulting in average training hours per employee of 39 hours.

Performance and career development reviews were provided to 93% of our employees in FY25.

Employment Summary

Total employees by employment category	Unit	FY25	FY24
Total senior management employees	Number	5	4
Total general employees	Number	167	151
Total employees	Number	172	155

New Employee Hires and Turnover by Gender and Age

New employee hires by gender	Unit	FY25	FY24
Male	Number	35	33
	%	80%	77%
Female	Number	9	10
	%	20%	23%

New employee hires by age

Under 30	Number	13	8
	%	30%	19%
30-50	Number	24	29
	%	55%	67%
Over 50	Number	7	6
	%	16%	14%

Employee turnover by gender

Male	Number	31	53
	%	79%	78%
Female	Number	8	15
	%	21%	22%

Employee turnover by age

Under 30	Number	9	12
	%	23%	33%
30-50	Number	24	18
	%	62%	50%
Over 50	Number	6	6
	%	15%	17%

Training

Training hours	Unit	FY25	FY24
Total training hours - employees	Hours	6,637	6,304
Total training hours - contractors	Hours	5,695	3,954
Average training hours per employee	Hours	39	38
Average training hours per contractor	Hours	4	6
Total training hours by gender			
Employees - Male	Hours	4,358	5,317
Employees - Female	Hours	2,279	987
Contractors - Male	Hours	4,572	3,465
Contractors - Female	Hours	1,123	489
Total training hours by employment category			
Senior Management	Hours	70	73
Middle Management	Hours	482	756
General Workforce	Hours	6,085	5,475
Contractor Workforce	Hours	5,695	3,954

FY26 Focus

In today's competitive job market, we are increasing our focus on effective employee retention strategies to ensure a stable workforce. Key initiatives include benchmarking remuneration against industry standards, which helps attract and retain top talent. To enhance retention, we will look at further implementing various incentives, such as career progression opportunities and other employee wellness programs. These initiatives will help to foster a people-first workplace culture, prioritising the well-being and development of employees. Skills training and clear pathways for advancement not only to improve job satisfaction but also equip employees with the tools needed for long-term success within the organisation.



Diversity & Equal Opportunity

Capricorn promotes a diverse and inclusive workforce that reflects the gold mining industry, recognising that this approach enhances employee engagement, satisfaction, innovation, and productivity. The company has established policies to address discrimination, including a Code of Conduct and specific anti-bullying and anti-discrimination policies.

Capricorn Metals promotes an inclusive workplace culture where employees feel valued, respected, and empowered. The company emphasises that fostering diversity and inclusion is a shared responsibility, with all employees expected to actively contribute to a positive and respectful environment.

Capricorn's commitment to promoting diversity at every stage of employment, from hiring through to offboarding, is reflected in the Remuneration, Nomination and Diversity Committee Charter. This Committee is responsible for reviewing and recommending policies that advance diversity and inclusion both at the Board level and across the broader workplace.

Diversity and equal opportunity are embedded into governance by our CMM Code of Conduct, Diversity Policy, Bullying Harassment and Discrimination Policy, and the Prevention of Discrimination, Harassment & Bullying procedure.

The following measures and programs are also in place:

- + HR, in partnership with managers, delivers continuous resources and guidance to enhance diversity awareness across the organisation. Capricorn is actively undertaking diversity training, developing clear and inclusive policies, and fostering a culture of learning, openness, and collaboration.
- + Routine reviews of compensation against industry standards to ensure fairness and consistency across equivalent roles
- + A peer-based monitoring initiative supports colleagues in maintaining professional accountability
- + Active promotion and prioritisation of local employment through community job postings and overseas sponsorship for candidates via Temporary Skills Shortage (TSS) visas
- + Gender composition across corporate and site-based roles is tracked and reported monthly to ensure transparency
- + Parental leave is available to all employees

Diversity and Equal Opportunity Performance

At the end of FY25, our total workforce increased by 17 to 172 employees comprising of 129 males and 43 females, reflecting an increased representation of females and a more even age demographic.

Gender Diversity

Total workforce by gender	Unit	FY25	FY24
Total male	Number	129	119
Total female	Number	43	36
General employees by gender			
Total male	Number	124	115
Total female	Number	43	36
Senior management by gender			
Male	Number	5	4
Female	Number	0	0
Board team by gender			
Male	Number	4	4
Female	Number	1	1

Age Diversity

General employees by age	Unit	FY25	FY24
Under 30	Number	50	37
30-50	Number	78	78
Over 50	Number	39	36
Senior management by age			
Under 30	Number	0	0
30-50	Number	3	2
Over 50	Number	2	2
Board team by age			
Under 30	Number	0	0
30-50	Number	2	2
Over 50	Number	3	3

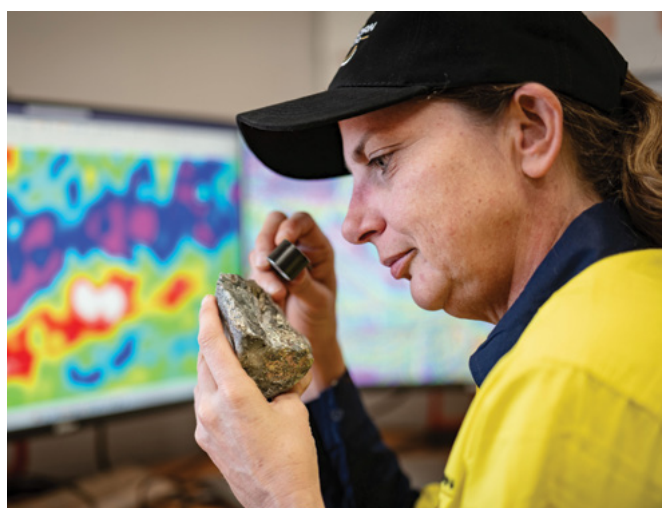
Employment Type and Gender

Employees by employment type and gender	Unit	FY25	FY24
Full-time, Male	Number	107	102
Full-time, Female	Number	34	32
Part-time, Male	Number	0	0
Part-time, Female	Number	0	1
Employees by contract and gender			
Permanent, Male	Number	107	101
Permanent, Female	Number	34	32
Temporary, Male	Number	22	18
Temporary, Female	Number	9	3

FY26 Focus

Capricorn Metals is committed to advancing diversity and inclusion within its workforce. The organisation is in the process of developing a survey designed to collect demographic information and to assess employee experiences of inclusion. Although dedicated diversity training programs have not yet been implemented, the company promotes inclusive leadership practices among its management team. In addition, Capricorn Metals is focused on addressing gender pay disparities and upholding principles of fair and equitable remuneration.

The upcoming year will see Executives and Senior Managers collaborate to set performance priorities, considering objectives, standard and data from performance reviews. These goals will be communicated to their teams through Executive Performance and Development Agreements.



GOVERNANCE

Business Ethics & Governance

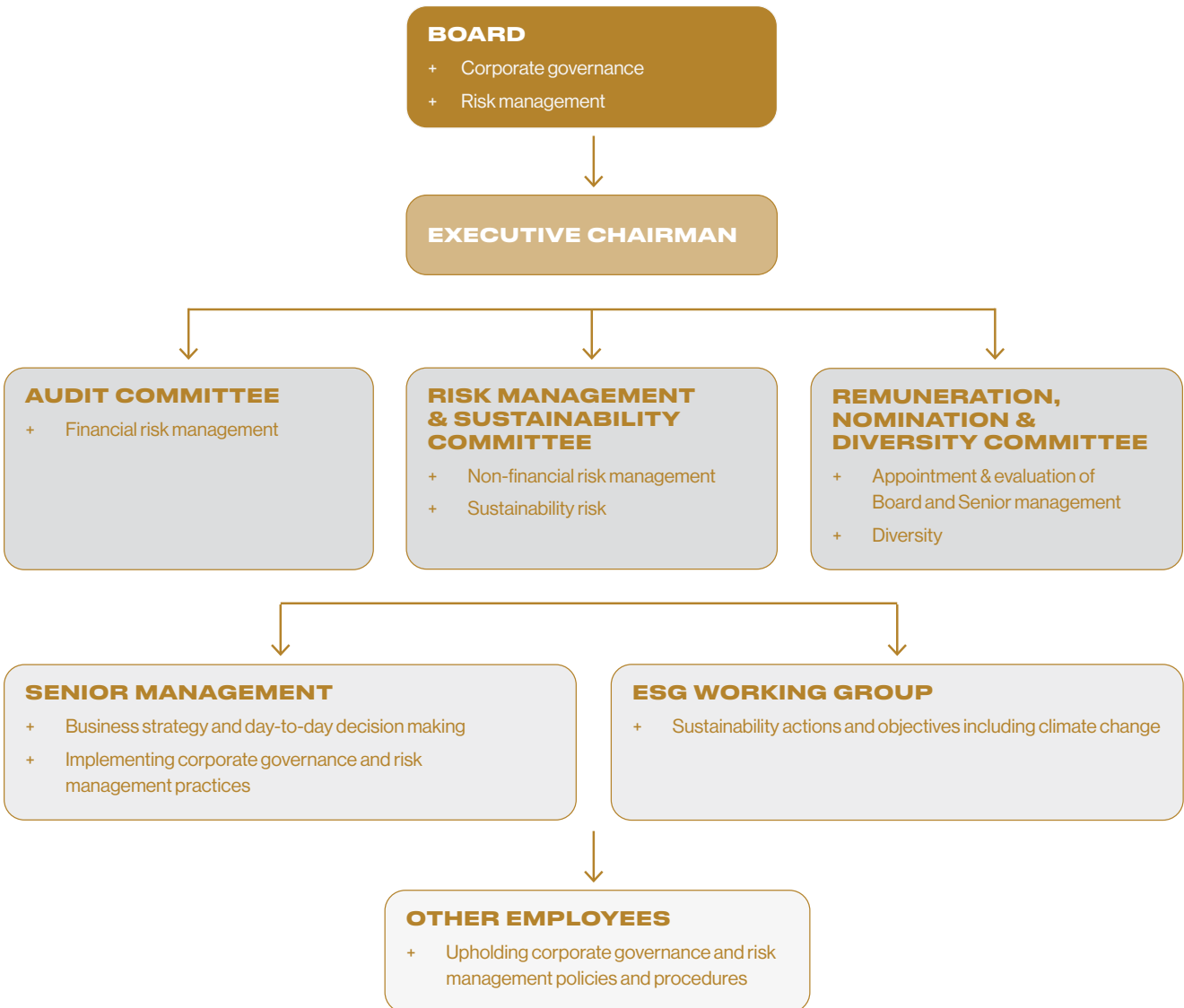
We strive to uphold integrity and responsibility throughout every tier of our company. To preserve rigorous ethical behaviour, our governance structure includes charters, policies, procedures, and duties to ensure we align with our Company values and stakeholder commitments. Our Corporate Governance framework is detailed under the following subheadings below.

Corporate Governance Structure

The Capricorn Board, which meets regularly, oversees corporate governance and risk-management oversight, and entrusts implementation of our business strategy and executive decision-making to our senior management team. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Executive Chairman. The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings. There are clear channels of communication between the Executive Chairman and the Board, with formal Board meetings at least quarterly and additional meetings, including by telephone, as may be required. These roles and responsibilities are set out in the Board Charter on our website.

While the Board retains overall responsibility for establishing and delivering an effective governance framework, all Capricorn employees share the duty of upholding our corporate governance standards, which are described in our Corporate Code of Conduct.

Capricorn Metals Governance Framework



Risk Management & Sustainability Committee

The role of the Risk Management and Sustainability Committee (RMSC) is to assist the Board in overseeing the Company's risk management systems and sustainability practices. This includes identifying and managing potential or apparent business and sustainability risks, reviewing the Company's risk management framework and approving our ESG material topics.

ESG Working Group

In FY25, we established an ESG Working Group to assist the Risk & Sustainability Committee by putting ESG policies and strategies into action and promoting ongoing improvement. The ESG Working Group Charter defines the authority, roles, composition, purpose, duties and responsibilities of the Group. It ensures alignment with the Company's sustainability objectives, including those related to climate change.

Climate Risk Governance Structure

Oversight of climate-related risks and opportunities is embedded within Capricorn's governance structures. The Board provides direct oversight through the RMSC, ensuring climate considerations are integrated into strategic and operational decision-making. Our ESG Working Group further supports this process by assessing climate risk and opportunities, monitoring regulatory developments, and guiding disclosure practices in line with emerging standards, including the phased implementation of the Australian Sustainability Reporting Standards, AASB S2 requirements. We updated our Board Charter and RMSC Charter during the year to better reflect these responsibilities.

Corporate Code of Conduct

Our Corporate Code of Conduct, accessible on our website, details our commitment to integrity and equitable dealings in our employment and business practices. It defines the duty of care to our employees, contractors, and other stakeholders, along with the standards and expectations for appropriate behaviour in various contexts.

Legal and Regulatory Framework

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

Anti-Bribery & Corruption Policy

Capricorn maintains a zero-tolerance stance toward bribery and corruption. Our Anti-Bribery and Corruption Policy outline our responsibilities to uphold this commitment and how to identify and address potential breaches and suspicious activity. The policy also offers stringent guidelines regarding financial perks such as gifts, travel, and hospitality. Any violation is treated as a serious issue and may lead to disciplinary measures. All new employees are required to familiarise themselves with the Company's policies and procedures including our Anti-Bribery & Corruption Policy. There were no reported incidents of corruption in FY25.

Whistleblower Policy

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

Modern Slavery Statement

Modern Slavery risks are overseen by the Company's Risk Management & Sustainability Committee. Capricorn is currently developing our annual Modern Slavery Statement for FY25, which will outline our principles and approach to identifying and addressing risks within our business and supply chain.

Memberships & Associations

Industry associations play a valuable role to promote knowledge sharing and advocacy across the mining sector. Capricorn proudly participates in the following associations and networks: Association of Mining and Exploration Companies (AMEC), Chamber of Minerals and Energy (CME), Gold Industry Group and the Australian Resources & Energy Employer Association (AREEA).

Economic Performance

Robust financial performance is essential to the long-term prosperity and resilience of our business and helps to create shared, sustainable value for our stakeholders. Our focus remains on efficient operational management to advance our projects and support local communities and the Australian economy.

The Capricorn Board provides overarching oversight of financial performance. The Audit Committee oversees financial risk and compliance, while the RMSC handles non-financial and sustainability risk and compliance. The Audit Committee Charter and the RMSC Charter define the Committees' roles and responsibilities.

Our senior management team, led by the Executive Chairman, Chief Operating Officer, Chief Development Officer and Chief Financial Officer, is responsible for day-to-day management of operations and administration. This includes monitoring and review of financial reporting and compliance, financial risk management and internal control by the Audit Committee.

Economic Contribution

Capricorn is committed to supporting the local communities in which we operate and is a significant contributor to the Australian economy, both direct and indirectly through employment opportunities, supplier payments, taxes and royalties.

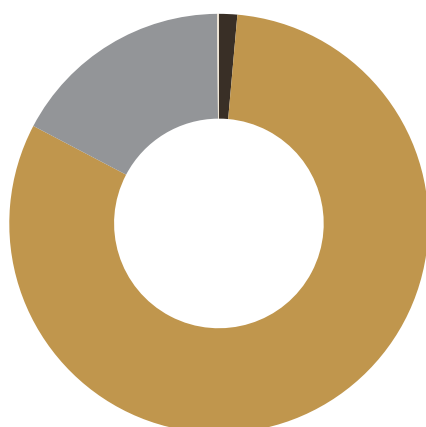
Capricorn takes great pride in a 'support local' procurement strategy. In FY25, 99.9% of our total procurement expenditure was in Australia.

As a proportion of total spend, Western Australian businesses received the majority of these contributions, representing 88.4% of total procurement expenditure.

Supplier Spend by Region	Unit	FY25	FY24*
Local area	\$M	3.1	3.1
Western Australia	\$M	287.4	203.6
Rest of Australia	\$M	37.8	27.6
International	\$M	0.3	0.1
Total	\$M	328.6	234.4

* FY24 numbers have been adjusted to reflect a classification change.

Supplier Spend by Region (\$M)



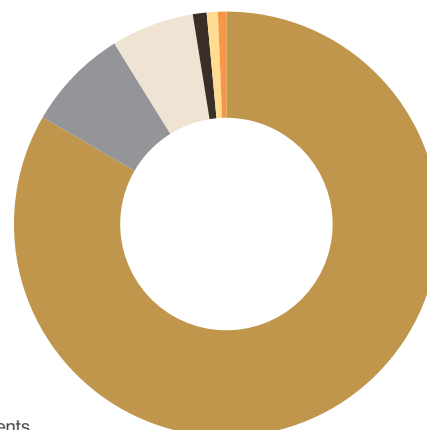
- Local area
- Western Australia
- Rest of Australia
- International

Economic Contribution by Type	Unit	FY25	FY24*
Supplier payments	\$M	325.5	231.3
Employee salaries and wages	\$M	30.4	25.8
Royalties	\$M	24.6	18.6
Taxes	\$M	4.1	2.0
Local Community payments ¹	\$M	3.3	3.3
Other Government payments	\$M	2.5	1.4
Total	\$M	390.4	282.4

* FY24 numbers have been adjusted to reflect a classification change.

¹ Local community payments include amounts paid to local suppliers, contractors and employees and to sponsor and donate to local community programs.

Economic Contribution by Type (\$M)



- Supplier payments
- Royalties
- Local Community payments
- Employee wages, salaries and benefit
- Taxes
- Other Government payments

Tax transparency

We are fully compliant with all tax regulations. Our Audit Committee and Board oversee our tax risk management, with responsibilities outlined in the Audit Committee Charter. An overview of the company's tax position for FY25 can be found in this Annual Report.

Financial Performance

During the year we continued our strong period of growth, while operating efficiently, sustainably and in compliance with all relevant laws and regulations.

The following is a summary of Capricorn's performance for FY25:

- + Record underlying revenue of \$528.2m from the sale of 118,223 ounces of gold at an average realised price of \$4,463 per ounce.
- + Underlying profit after tax (before gold hedge closure cost and hedge accounting adjustments) of \$206.4m.
- + Strong operating cashflow generation of \$259.3m continued at KGP.
- + Cash reserves increased by \$286.4 million to \$355.7 million after the following key cash flows:
 - + Net proceeds from capital raise in November 2024 of \$193.4m;
 - + \$50 million payment to close out hedge book and purchase gold put options in June 2025;
 - + \$53.4 million invested in exploration and feasibility studies at KGP and MGGP;
 - + Repaid residual corporate debt of \$50m.
 - + \$16 million early spend on village infrastructure at MGGP;
 - + \$13.8 million spent to advance KEP design, procurement and development work; and
 - + Closure of hedge book and repayment of the residual corporate debt leaving the Company debt free and unhedged.

Please refer to the financial statements in our Financial Report for a full summary of our FY25 financial performance.

FY26 Focus

- + Continue to operate efficiently, sustainably and in compliance with all relevant laws and regulations.
- + We expect KGP to continue its strong operational performance by producing 115,000 -125,000 ounces at an AISC range of \$1,530 - \$1,630 per ounce and growth capital of \$30 - 40 million.
- + Continue development of KGP on time and within budget (~25% increase in gold production).
- + Continue to progress the permitting of our Mt Gibson Gold Project and development of the 150kpa ounce project.





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