



31 May 2023

Modern Slavery Statement

1. About this Statement

This statement has been prepared by Capricorn Metals Ltd (ACN 121 700 105) (**Capricorn or the Company**) and its wholly owned subsidiaries to meet the requirements of the *Modern Slavery Act 2018* (Cth) (**Act**) for the financial year ending 30 June 2022.

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit people and undermine or deprive them of their freedom. It is defined by the Act as including eight types of serious exploitation including:

- Trafficking in persons
- Slavery
- Servitude
- Forced marriage
- Forced labour
- Debt bondage
- Deceptive recruiting for labour or services
- Child labour.

This statement summarises actions undertaken by Capricorn to assess and address the risks of modern slavery in our business and supply chain.

2. About Capricorn

2.1 Reporting entity

Capricorn is a Perth based company, incorporated in Australia and listed on the Australian Securities Exchange (ASX: CMM). We are a Western Australian gold producer and developer that owns 100% of the operating Karlawinda Gold Project in the Pilbara region of Western Australia and the development stage Mt Gibson Gold Project also located in Western Australia.

In addition the Company owns freehold land in Antananarivo, Madagascar through overseas subsidiaries based in Mauritius and Madagascar. Capricorn is actively marketing the land for sale as the Company has no other interests in either country and is otherwise inactive within Madagascar.

Additional information about Capricorn's assets and subsidiaries is available on the Company's website and in the 2022 Annual Report located at <https://capmetals.com.au/investor-centre/reports/>.

References in this statement to Capricorn refer to Capricorn and its subsidiaries.

2.2 Operations

The Karlawinda Gold Project commenced operation on 30 June 2021 and completed its first full year of production in the reporting year. Ore was mined from the Bibra open pit and processed at the Company's wholly owned processing facility located adjacent to the mining operations.

All gold produced was in the form of gold doré which was then refined to final form gold bullion at the ABC Refinery in Sydney, New South Wales.

The Company acquired the Mt Gibson Gold Project in July 2021 and embarked on an extensive resource definition drilling programme in January 2022. The project is a pre-development project which the Company expects will become Capricorn's second production centre in due course.

As at 30 June 2022, Capricorn had 134 direct employees.

2.3 Consultation

The Capricorn Group consists of Capricorn Metals Ltd and each of its subsidiaries which act as a consolidated entity for the purposes of its operations as described in section 2.2. Within the consolidated entity there are:

- Common directors, officers and company secretary;
- Entities operating in the same industry sector; and
- Common procurement policies and procedures with common suppliers.

As a result all group entities have a very similar modern slavery risk profile and accordingly there was full and continuous consultation on all matters (including modern slavery) with all relevant Capricorn companies in the consolidated entity throughout the reporting year.

3. Capricorn Supply Chains

3.1 Overview

The supply chain for the mining and mineral processing at our operations includes a wide range of goods and services. Supply of goods includes but is not limited to:

- Gas and diesel fuel;
- Processing consumables including lime, sodium cyanide, carbon and grinding media;
- Explosives;
- Personal protective equipment and clothing;
- Vehicles and heavy machinery and parts;
- Food, alcohol, cleaning products and accommodation items; and
- IT equipment and general office consumables.

The Capricorn supply chain also includes services provided by contractors such as open pit mining, maintenance, drilling, blasting, power generation, charter flights, engineering, construction services, assaying and gold refining.

Although the Company retains international subsidiaries in Mauritius and Madagascar, these companies only hold real estate which is currently being marketed for sale and do not undertake any trading activities. Once the land is sold, the subsidiaries will be wound up. The only services used are account keeping and legal services in Mauritius and Madagascar.

3.2 Risks of modern slavery practices in Capricorn's supply chains

Capricorn considers it has a relatively low risk of exposure to modern slavery as its mining and development operations are based in Australia which is not considered to be high risk for modern slavery (refer to <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>).

The goods and services provided to Capricorn for use in its operations are predominately provided by Australian companies that are subject to Australian laws although in some instances components of goods may be sourced from jurisdictions outside of Australia. In these instances the Company is aware that these goods may carry a higher risk of modern slavery. These goods may include IT equipment, personal protective equipment and workplace clothing.

Capricorn considers it has very limited exposure to modern slavery through its international subsidiaries as these are holding companies for real estate and do not trade.

3.3 Addressing modern slavery risks

Capricorn assessed modern slavery risks in its supply chains during the reporting period. Capricorn expects all of its suppliers and their supply chain partners to provide a workplace free from discrimination, harassment or any other form of abuse and has a zero tolerance approach towards any form of slavery.

Capricorn's standard terms and conditions require all suppliers and contractors to take reasonable steps to investigate and address the risk of modern slavery within their own operations and supply chains. The Company's standard terms and conditions also give Capricorn the right to conduct an

audit of each relevant supplier and contractor to investigate compliance with the modern slavery provisions contained in those standard terms and conditions. Further all contractors are required to comply with all applicable Australian laws.

All personnel whether Capricorn or contractor engaged are subject to Australian employment law and undertake various induction, other training and qualification programmes. Capricorn's recruitment processes and practices ensure that the engagement of potential employees is undertaken ethically and on a non-discriminatory basis. Capricorn's processes include the requirement for all candidates to possess and demonstrate their right to work lawfully in Australia.

3.4 Assessment of modern slavery risks

In carrying out its responsibilities and powers the Capricorn Board recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law. It recognises its duties and responsibilities to its employees, customers, and the community. Part of that responsibility is to ensure that the Company acts to prevent the risk of modern slavery within its operations and supply chains.

The Capricorn Board has responsibility for reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance. The Company's Audit and Risk Management Committee (**the Committee**) meet regularly to assess all risks in its risk management framework to ensure that it deals with contemporary and emerging risks such as modern slavery. The Committee then report to the Capricorn Board after each meeting.

The responsibility for managing risk management and internal control effectiveness is delegated to management. Management is required to report quarterly to the Audit and Risk Management Committee on items that include compliance with applicable laws and regulations.

In addition management prepare monthly reports that are distributed to the Board which include reporting on health and safety, environmental, human resources, operations, project development, community, finance and exploration.

Capricorn is committed to further enhancing its risk management processes to identify and address the risks of modern slavery in its operations and supply chains. This includes further improvements to supplier on-boarding and engagement across the Capricorn group.

Based on discussions with management, a review of the monthly reports provided and a thorough understanding of the Capricorn business, the Board has considered the overall risk to Capricorn due to modern slavery to be low.

This statement was approved by the Board of Capricorn Metals Ltd on 31 May 2023. This statement is signed by Mark Clark in his role as the Executive Chairman of the Board of Directors of Capricorn Metals Ltd on 31 May 2023.



Capricorn Metals Ltd
Mark Clark
Executive Chairman