

# Capricorn Metals Reduces Hedge Book

Capricorn Metals (ASX: CMM)

Advised that it has used the recent pull back in the A\$ gold price to reduce its gold hedge book by 52,000 ounces to provide further exposure to any increase in the A\$ gold price over the next 18 months.



Capricorn Metals Karlawinda Mine



Capricorn Metals	ASX: CMM
Stage	Production, development, exploration
Metals	Gold
Market cap	A\$1.83 B @A\$4.86
Location	Western Australia
Website	<a href="http://www.capmetals.com.au">www.capmetals.com.au</a>

## Capricorn Metals – PARTIAL CLOSURE OF GOLD HEDGE BOOK GIVES CAPRICORN ADDITIONAL GOLD PRICE UPSIDE

**Capricorn Metals Limited (ASX: CMM)** (Capricorn or the Company) is pleased to advise that it has used the recent pull back in the A\$ gold price to reduce its gold hedge book by 52,000 ounces to provide further exposure to any increase in the A\$ gold price over the next 18 months.

### The gold hedging contracts closed

were as follows:

## Gold Hedging Contracts Closed

Maturity / Ounces / Price (A\$/oz)

30/09/2024 12,000 2,327

31/12/2024 12,000 2,327

31/03/2025 10,000 2,327

30/06/2025 10,000 2,327

30/09/2025 8,000 2,327

**52,000** 2,327

The closure results in Capricorn having no current gold forward sale delivery obligations until 31 December 2025.

As part of the closure Capricorn also purchased gold put options (for the same volume and maturity as the closed hedge contracts) as follows:

## Gold Put Options Purchased

Maturity / Ounces / Strike Price (A\$/oz)

30/09/2024 12,000 3,432

31/12/2024 12,000 3,432

31/03/2025 10,000 3,432

30/06/2025 10,000 3,432

30/09/2025 8,000 3,432

**52,000**

The purchased put options give Capricorn the right (but not the obligation) to sell the previously hedged ounces at a price of A\$3,432 per ounce.

This allows Capricorn full participation if the gold price is higher than the strike price on the date of maturity of each put option.

The cost of closure and purchase of put options (at a spot price of A\$3,482 per ounce) was \$69.6 million, paid out of Capricorn's cash and bullion holdings of \$177.8 million (31 March 2024).

Having closed 52,000 ounces of hedging at a spot price of A\$3,482 per ounce, every A\$50 per ounce increase in the gold price above A\$3,482/oz enhances revenue on the previously hedged production by \$2.6 million.

The revenue downside on these ounces (relative to A\$3,482/oz) is limited to a maximum of \$2.6 million by the purchase of the A\$3,432/oz put options.

This closure follows execution of a similar strategy in June 2023 under which 51,000 ounces of gold hedging was closed, leading to revenue enhancement in FY24 of approximately \$13 million after closure costs as Capricorn increased its exposure to the rising gold price over that period.

Capricorn's gold forward sales commitments have been reduced to 55,000 ounces at an average delivery price of A\$2,327 per ounce, maturing from December 2025 to December 2026.

*"This represents less than 5% of gold reserves at the operating Karlawinda Gold Project and less than 2% of Capricorn total gold reserves\*.*

[To View Capricorn Metals' historical news releases, please click here](#)

— —

**To read the full news release**  
**please click HERE**

**The live Spot gold price can be found HERE**

=====

**City Investors Circle is based in the financial district in the City of London**

We present interesting and exciting junior mining companies listed on the ASX and TSX stock exchanges to a group of city professionals, and private investors, all of whom are active investors with a mandate to invest in junior mining companies.

Our audience is selected and invited individually to ensure interest and relevance for the presenting company.

Meetings are non deal, small group, highly focused and engaged, with a lively Q and A to follow the main presentation.

We create awareness, and maintain interest in presenting companies by disseminating their future news to our entire investor group via email, social media, and our Monthly Review newsletter.

If you wish to present to our select group of active mining investors, please email [andrew@city-investors-circle.com](mailto:andrew@city-investors-circle.com)

=====

**This website is not sponsored, we are truly independent, and will always remain so.**

Companies featured here have either presented to the Circle in London, or have been selected because they are considered to have interesting projects, in good jurisdictions, run by an experienced management team.

All information used in the preparation of this communication has been compiled from publicly available sources that we believe to be accurate and reliable, however, we cannot, and do not, guarantee the accuracy or completeness of this.

***These articles are for awareness and informational purposes only, and are not recommendations in any form. Always consult an investment professional.***

## **Disclosure**

**At the time of writing the author**

**holds shares in Capricorn Metals.**

**To read our full terms and conditions, please click [HERE](#)**