

December 2021

Quarterly Report

29Metals Limited ('29Metals' or, the 'Company') today reported results for the December 2021 quarter.

Highlights

- **Strong Dec-Qtr to finish the year** with a material increase in copper production
 - Continued strong performance at Capricorn Copper on higher grades and recovery
 - Increased copper production at Golden Grove as a result of higher grades and improved recoveries following the stope re-scheduling reported in the Set-Qtr quarterly report
 - Improved operating unit costs, with higher Group copper metal sales more than offsetting higher A\$m costs
- Operational de-risking milestones
 - Capricorn Copper - self-propagation and breakthrough of the Esperanza South sub-level cave ('ESS')
 - Golden Grove - final regulatory approval for paste fill; completion of the tailings storage facility lift; and completion of access development to Xantho Extended ('XE')
- **Full year performance** benefitted from the strong Dec-Qtr, meeting or exceeding guided metrics other than Zinc metal produced (~2.5% below guidance) and total capital (~3% above guidance) for the year:
 - full year copper metal production of 40.7 kt and Cu-eq¹ metal production of 68.2 kt
 - strong progress on organic growth opportunities with excellent drilling results at Cervantes, receipt of key deliverables for the Gossan Valley feasibility study and first production ore from XE
 - significant improvement in unit costs, reflecting recovery after the challenges of the Mar-Qtr and despite the cost and labour market pressures that emerged in the second half
- Preparation of full year financial results is underway. Subject to completion of 29Metals' full year financial results and the audit process, 29Metals expects full year EBITDA² to meet or exceed forecast.
- **COVID-19 Management Plans** have been effective to-date with no material impact on production for the December quarter or 2022 year-to-date. Refer to page 4 for 29Metals' COVID-19 update.

Summary

| | Unit | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Actual | 2021 Guidance ¹ |
|--------------------------------------|------------------------|---------------|---------------|---------------|----------------------------|
| TRIFR ² | /mmhrs | 12.1 | 12.1 | 12.1 | N/a |
| Copper produced | kt | 10.1 | 13.0 | 40.7 | 38.6 – 40.5 |
| Gold produced | koz | 9.0 | 8.8 | 35.8 | 34.8 – 36.8 |
| Zinc produced | kt | 15.5 | 12.1 | 47.8 | 49.0 – 51.7 |
| Silver produced | koz | 411 | 531 | 1,766 | 1,627 – 1,723 |
| Cu-eq production ³ | kt | 18.1 | 20.3 | 68.2 | 67.3 |
| C1 Costs | A\$m | 55 | 59 | 232 | 234 – 254 ⁴ |
| C1 Costs ^{5,6} | US\$/lb Cu sold | \$1.81 | \$1.67 | \$2.12 | N/a ⁷ |
| AISC | A\$m | 92 | 107 | 373 | 372 – 392 ⁸ |
| AISC ^{5,6} | US\$/lb Cu sold | \$3.02 | \$3.03 | \$3.41 | N/a ⁷ |
| Average copper price ⁹ | US\$/lb Cu sold | \$4.23 | \$4.40 | \$4.25 | \$4.28 |
| Capital | A\$m | 30 | 37 | 111 | 107 |

1. Guidance is as set out in the 29Metals Prospectus (dated 21 June 2021, as released to ASX on 2 July 2021), as updated in the Sep-Qtr 2021 quarterly report released to ASX on 21 October 2021 (where applicable).

2. TRIFR is shown as the 12-month moving average at the end of the Sep-Qtr 2021 and Dec-Qtr 2021. Sep-Qtr 2021 TRIFR re-stated following an injury re-classification (previously reported as 11.8).

3. Cu-eq production for the Sep-Qtr 2021 and the Dec-Qtr is calculated applying average LME metal prices (Sep-Qtr: Cu US\$9,365/t, Au US\$1,789/oz, Zn US\$2,991/t, Ag US\$24/oz, Pb \$2,338/t; Dec-Qtr 2021: Cu US\$9,685/t, Au US\$1,795/oz, Zn US\$3,365/t, Ag US\$23/oz, Pb \$2,327/t (Source: FactSet)) and actual recoveries (refer to Appendix 1). 2021 Actual Cu-eq production cited is the aggregate of reported quarterly Cu-eq for the relevant period.

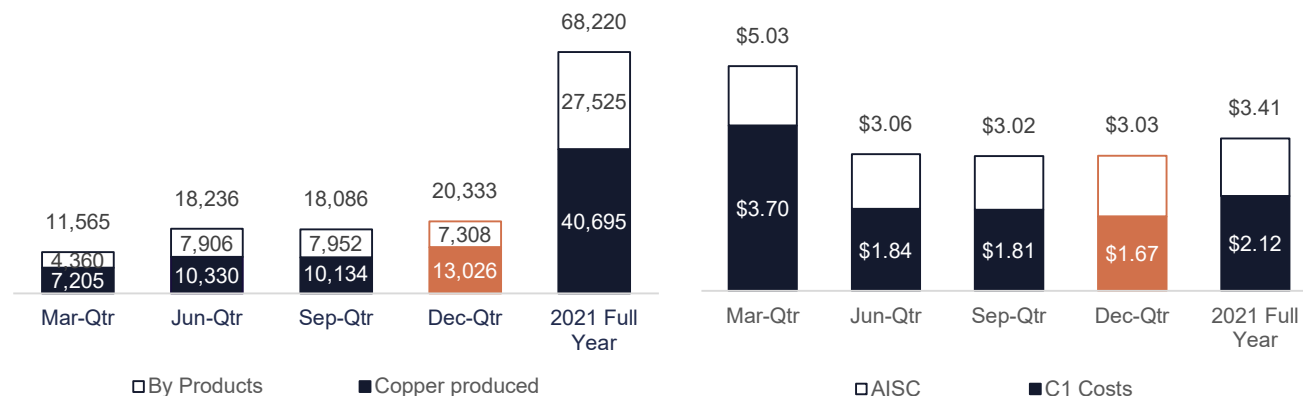
¹ Cu-eq is copper equivalent contained metal. Refer to Summary table for details of metal prices and recovery applied to calculate Cu-eq.

² EBITDA is earnings before interest, tax, depreciation and amortisation. EBITDA is calculated inclusive of adjustments for AASB16 Lease Accounting. EBITDA is non-IFRS financial information. Refer to important information on page 15 regarding non-IFRS financial information.

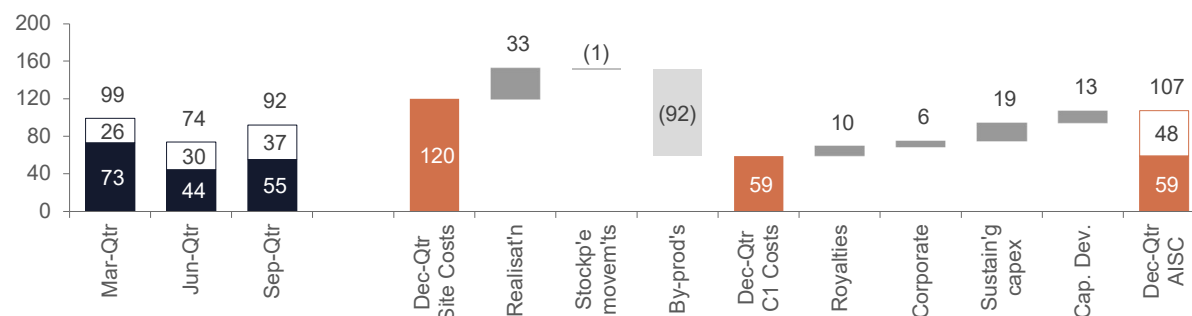
2021 Guidance Cu-eq production applies Cu US\$9,442/t, Au US\$1,776/oz, Zn US\$2,878/t, Ag US\$26/oz, Pb \$2,063/t; and recovery assumptions set out in the Prospectus.

- Refer to Appendix 2 for the build of C1 Costs and AISC. C1 Costs and AISC have been converted to US\$ at the average rate for the relevant period (Sep-Qtr 2021 0.735, Dec-Qtr 0.729, 2021 Actual 0.752. (Source: FactSet)).
- Corporate costs included in C1 Costs and AISC for the Sep-Qtr 2021 and Dec-Qtr 2021 are actual head office costs for the quarter. Corporate costs included in C1 Costs and AISC for 2021 Actual includes pro-forma forecast head office costs for the Mar-Qtr 2021 and the Jun-Qtr 2021, and actual head office costs for the Sep-Qtr 2021 and Dec-Qtr 2021.
- 2021 Guidance A\$m C1 Costs shown is the aggregate of forecast A\$m C1 Costs for Golden and Capricorn Copper and exploration expense set out in the Prospectus, as updated in the Sep-Qtr 2021 quarterly report.
- Group C1 Costs and AISC on a unit costs basis excluded from guidance on the basis that unit costs were not specifically adjusted in the update in the September quarterly report to reflect the updated metal production and A\$m costs guidance.
- Guided A\$m AISC shown is the aggregate of forecast A\$m C1 Costs (refer note 6) and corporate costs set out in the Prospectus, as updated in the Sep-Qtr 2021 report.
- Average copper price excludes final invoice, unrealised quotational pricing adjustments ('QP') and hedging.

Group Production (tonnes) and unit costs (US\$/lb Cu sold)



Dec-Qtr Group AISC build (A\$ million)



Note: Realisation costs shown in the chart above are the aggregate of concentrate transport costs and TC/RCs (refer to Appendix 2).

Commenting on the Dec-Qtr, Managing Director & Chief Executive Officer, Peter Albert, said:

“Safety performance remains a key area of focus for Management with too many minor and mostly hand injuries keeping TRIFR at higher levels than we would want.

Production ended the year well with improved copper production at Golden Grove and another strong quarter at Capricorn Copper, including record copper metal production in December. Copper performance partly offset the under-performance in by-product metals for the Dec-Qtr and the full year at Golden Grove, reflecting the re-scheduling of the stope mining sequence flagged in the Sep-Qtr quarterly report.

Costs and labour market pressures persisted in the quarter, exacerbated by border closures, particularly at Golden Grove.

On a full year basis, operating performance was generally strong after a tough first quarter, especially in the second half. Full year copper production was partly offset by lower by-product metals. On a Cu-eq basis, production exceeded forecast. Costs and capital were in line with or better than the updated guidance provided in the Sep-Qtr.

We continue to be encouraged by the quality of the organic growth opportunities in our portfolio with Cervantes demonstrating the continuing potential at Golden Grove as well as the progress on Gossan Valley, the potential third mining front at Golden Grove. The opportunity to optimise the mine plan at Golden Grove to incorporate Cervantes and Gossan Valley is a key focus area for 2022, along with continuing work to advance the growth opportunities at Capricorn Copper.

We look forward to building on this result in 2022 and delivering on the Guidance outlined in this report.”

2022 Guidance ³

29Metals provides the following guidance for 2022. Guidance by asset is set out in Appendix 3 to this report. Additional guidance in relation to depreciation and amortisation, tax, and AASB16 lease accounting will be provided with the Company's 2021 full year financial results.

| Group | | 2021 Actual ¹ | 2022 Guidance | Commentary |
|------------------------------------|------|-----------------------------|----------------------|--|
| Production ² | | | | |
| Copper | kt | 41 | 39 – 46 | <ul style="list-style-type: none"> Continued strong copper production; increasing zinc By-product metals production weighted to second half |
| Zinc | kt | 48 | 55 – 65 | |
| Gold | koz | 36 | 27 – 34 | |
| Silver | koz | 1,766 | 1,370 – 1,640 | |
| Lead | kt | 2 | 2 – 3 | |
| Costs ³ | | | | |
| Mining ⁴ | A\$m | 279 | 289 – 332 | <ul style="list-style-type: none"> A\$m mining cost increase largely offset by reduction in capitalised development (refer below) Increases in freight rates and higher volumes A full year of corporate head office costs including accruals for non-cash equity-based remuneration |
| Processing | A\$m | 114 | 116 – 131 | |
| G&A | A\$m | 55 | 54 – 66 | |
| Concentrate transport ⁵ | A\$m | 33 | 50 – 58 | |
| TC/RCs | A\$m | 60 | 56 – 66 | |
| Corporate | A\$m | 18 | 23 – 26 | |
| Capital | | | | |
| Sustaining capital | A\$m | 36 | 44 – 55 | <ul style="list-style-type: none"> Tailings capacity works at Golden Grove and Capricorn Copper environmental projects Materially lower capitalised development reflects expected higher lateral development in 2022 and completion of Hugo-Oizon-Xantho decline in H1 Includes paste fill establishment works at Golden Grove Regional exploration at operating sites and Redhill |
| Capitalised development | A\$m | 56 | 30 – 39 | |
| Growth capital | A\$m | 11 | 8 – 10 | |
| Group exploration ^{6, 7} | A\$m | 8 | 10 – 20 | |

1. 2021 Actual data is unaudited. Differences against the data cited and the aggregate of Golden Grove and Capricorn Copper actuals in Appendix 2 is the result of rounding and Redhill costs.

2. Production shown on a contained metal in concentrate basis.

3. Mining costs, processing costs and G&A shown before adjustments for AASB16 lease accounting.

4. Mining costs excludes capitalised development.

5. Concentrate transport costs include freight realisation charges payable on domestic concentrate sales at Capricorn Copper.

6. Exploration is reported by 29Metals as *Group Exploration* and includes resource extension drilling at operating sites and regional exploration.

7. Upper end of guided exploration expenditure is subject to exploration results, and market and operating conditions.

Overall, 29Metals expects year-on-year improvement in production output in 2022, with continuing strong copper production combined with an increase in zinc production, partly offset by lower gold and silver production.⁴ The expected increase in zinc metal production reflects the contribution of XE ore in the 2022 production profile and the rescheduling of the stope mining sequence at Golden Grove reported in the Sep-Qtr quarterly report.

The production profile for copper is expected to be broadly consistent across the year, with by-product metals (particularly zinc) weighted to the second half, reflecting expected grade profile, ore sources and the timing of production from XE.

29Metals will continue to invest in growth in 2022, building on the success of 2021, to increase future production and extend mine life. Total investment in growth is planned to be \$24-38 million, including exploration, resource conversion drilling (reported in sustaining capital) and growth capital. The upper end of the range is dependent upon ongoing results and market and operating conditions. Refer to the key projects and exploration sections of this report regarding 29Metals' growth activities and priorities for 2022.

Total capital expenditure for the year is expected to be weighted to the first half.

On a \$/lb basis, C1 Costs and AISC are expected to improve materially year-on-year, subject to by-product metal prices, with the increase in operating costs (guided above) offset by expected increases in zinc production and copper produced.

³ Guidance is subject to market and operating conditions. Refer to important information on page 15 of this report. Group guidance may differ from the aggregate of asset-specific guidance in Appendix 3 as a result of rounding.

⁴ Copper equivalent contained metal guidance not provided given range-bound guidance for metal production and forecast commodity price volatility; actual production in copper equivalent contained metal terms will be reported quarterly in arrears.

The direct and indirect impacts of COVID-19 remain difficult to predict.⁵ Guidance for 2022 takes account of the direct and indirect impacts of COVID-19 and related matters (including border closures) experienced in H2 of 2021. However, guidance assumes that there is no further material escalation of COVID-19, or escalation or extension of government COVID-19 control measures (such as state border closures).

COVID-19 update

29Metals' operating sites and head office have developed and implemented COVID-19 Management Plans. At the operations, COVID-19 Management Plans include:

- pre-mobilisation (FIFO) testing;
- rapid testing on-site for persons displaying any symptoms;
- implementing government health recommendations regarding hygiene and social distancing in the workplace and in the accommodation and recreation facilities;
- dedicated accommodation, and services and support for, persons required to isolate on site;
- planning and arrangements in place for emergency airlift of personnel off site, if required;
- not permitting any close contacts identified on break to return to site until a negative test result is received; and
- enhanced workforce communications and education.

The challenges of the pandemic continue to evolve, including escalating case numbers nationally reflecting the combined impact of the highly transmissible Omicron variant and progressive re-opening of state borders (Queensland – December 2021; Western Australia ('WA') – recently deferred to beyond February 2022).

Vaccination rates in the workforce have been very encouraging, both at Capricorn Copper where there is no current Government vaccine mandate and at Golden Grove with the Government mandate in effect from 1 December 2021.

Dec-Qtr 2021

29Metals continued to feel the impact of COVID-19 in the quarter, with continued cost and labour market pressures. The COVID-19 Management Plans in place at each of our sites served us well with no confirmed COVID-19 cases on site and no interruption to production in the quarter.

Subsequent to quarter end, 29Metals recorded its first cases of COVID-19, with confirmed cases at Capricorn Copper on site and in personnel preparing to mobilise to site. Site COVID-19 Management Plans were applied with confirmed cases on site isolated or, if not on site, not mobilising. To-date, the team at Capricorn Copper has successfully limited further transmission on site without material impact on production. Confirmed cases on site have been steady at between five and ten persons, and all positive cases to-date have had limited or mild symptoms.

Outlook

The challenges of COVID-19 continue to evolve and 29Metals will adapt and update its COVID-19 Management Plans where necessary to mitigate the impact of COVID-19 and protect our workforce.

Learnings from the cases at Capricorn Copper (refer above) are being applied at Golden Grove as the site team prepares for the risk of additional cases in WA when borders re-open to interstate travellers.

Key areas of focus for 29Metals are supply chain delays and absenteeism which have been widely reported in a number of workplaces in the Eastern states. To-date, impacts have been limited at 29Metals sites.

29Metals will include quarterly updates regarding the management of COVID-19 impacts on our business.

⁵ Direct impacts of COVID-19 include delays in mobilising materials and specialised personnel to operating sites and COVID-safe measures (including testing). Indirect impacts of COVID-19 include labour market pressures exacerbated by state border closures and restrictions on FIFO access.

Environment, Social & Governance

Group

- A disappointing continuation of minor and low potential incidents kept TRIFR flat quarter-on-quarter, with both Capricorn Copper and Golden Grove sitting above respective state industry averages for underground mining operations. 29Metals remains committed to improving performance in this area and will continue to focus on leading indicators such as hazard reporting, leadership interactions, verification of critical risk controls and sharing learnings from incidents and safety improvement actions across the business.
- Continuation of training for key personnel regarding COVID-19 Management Plans in readiness for relaxation of Queensland state borders in late 2021 and WA (previously expected to be in February 2022).
- Project commenced to develop a roadmap to achieve alignment with the Task Force on Climate related Financial Disclosures ('TCFD') reporting.
- Third party audits of the Capricorn Copper and Golden Grove tailings storage facilities were completed with final reports pending. In parallel, the review of the ICMM Global Tailings Management Standard to identify opportunities to enhance our approach to tailings management is underway.
- Highlighting the importance of sustainability, earlier this month the Board changed the name of its Health, Safety, Environment & Community Committee to the "Sustainability Committee". The name change and updated Committee charter are available via the 29Metals website at: <https://www.29metals.com/about/corporate-governance>.
- Recruitment underway to increase capacity at the group level for 29Metals' ESG priorities. A key area of focus for the newly appointed Group Manager – Projects, Technology & Innovation, will be assessing opportunities to apply innovation as part of 29Metals' approach to climate change actions. (Refer to corporate update.)

Golden Grove

- During the quarter, the first stage of the WA COVID-19 vaccination mandate came into effect. Vaccination uptake at Golden Grove has been very good with only a small number of workers opting to not be vaccinated.
- Final preparations for re-commencement of the Traineeship program under the Bayalgu Indigenous pre-employment program were undertaken. 29Metals will support four TAFE places (three female and one male) commencing in the Mar-Qtr 2022.
- Discussions with WA Department of Water and Environmental Regulation to offer traineeships to members of the Yamatji Nation progressed, with 3 trainees identified and commencement planned for the Jun-Qtr 2022.
- Attended the graduation day and awards presentation celebrating completion of the 40-week SHINE program and Year 12 WA Certificate of Education (WACE) graduation. Golden Grove also donated a commuter bus to enable SHINE students to participate in experiences like their recent visit to the mine site, and to provide community support services. 29Metals looks forward to continuing our support of the SHINE program and seeing SHINE women joining the mining industry in the future.
- Sponsored and participated in several community initiatives, including the Northern Agricultural Catchments Council Malleefowl Conference in Geraldton, the Badimia Bandi Barna Strategic Plan opening, Bush Tucker Tours with Badimia Bandi Barna, and the Breakfast Club and Yalgoo Emu Festival at the Yalgoo Primary School.
- Flora and fauna surveys in relation to a new tailings storage facility – TSF 4 - continued during the period, with no adverse findings identified. Heritage surveys will commence in the Mar-Qtr 2022. The proposed TSF 4 is being progressed as part of the life of mine tailings management strategy.

Capricorn Copper

- A stakeholder meeting was held in the quarter, with representatives of the Kalkadoon Native Title Aboriginal Corporation, local landholders and regulatory stakeholders in attendance. The meeting focused on environmental monitoring and employment and training opportunities for Kalkadoon people.
- Management of site water inventory remains a priority. Pumping infrastructure for the wet season was installed, and projects to reduce clean surface run-off water entering the site are being progressed.

Golden Grove Operations

| | Unit | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Full Year |
|---|------------------------|-------------------|---------------|----------------|
| TRIFR | /mmhrs | 12.2 ¹ | 11.5 | 12.2 |
| Copper produced | Tonnes | 3,280 | 5,307 | 16,015 |
| Gold produced | Ounces | 9,035 | 8,795 | 35,850 |
| Zinc produced | Tonnes | 15,518 | 12,126 | 47,756 |
| Silver produced | Ounces | 339,152 | 458,925 | 1,496,339 |
| Lead produced | Tonnes | 810 | 775 | 2,448 |
| Cu-eq production ^{2, 3} | Tonnes | 11,044 | 12,441 | 42,818 |
| C1 Costs | US\$/lb Cu sold | \$0.50 | \$0.60 | \$1.05 |
| AISC | US\$/lb Cu sold | \$2.58 | \$2.38 | \$2.90 |

1. Sep-Qtr 2021 TRIFR re-stated following re-classification of an injury (previously reported as 11.8).

2. Refer to Appendix 1 for further details regarding production and sales.

3. Cu-eq production for the Sep-Qtr 2021 and the Dec-Qtr 2021 is calculated applying average LME metal prices (Sep-Qtr 2021: Cu US\$9,365/t, Au US\$1,789/oz, Zn US\$2,991/t, Ag US\$24/oz, Pb \$2,338/t; Dec-Qtr 2021: Cu US\$9,685/t, Au US\$1,795/oz, Zn US\$3,365/t, Ag US\$23/oz, Pb \$2,327/t (Source: FactSet)) and actual recoveries (refer to Appendix 1). 2021 full year Cu-eq production cited is the aggregate of reported quarterly Cu-eq for the year.

Mining

Mine production was split between Gossan Hill and Scuddles (approx. 60:40) during the quarter, with 384kt ore mined (Sep-Qtr 360kt). Total material mined (ore + waste) for the period was in line with the Sep-Qtr. Higher activity in Scuddles for the quarter was associated with increased availability of the hoist and development activity to establish access to remnant ore sources planned to be mined in 2022.

Activities for the quarter at Gossan Hill focused on XE development, ventilation system development, paste reticulation system and power extensions. A key milestone occurred with first ore production from XE stopes achieved on plan in mid-December. Commencement of production from XE is the successful culmination of many years exploration drilling, technical and financial evaluation, and subsequent development, and represents a key milestone to delivering the potential of this higher-grade orebody. XE activity is now focused on completion of ventilation infrastructure to enable surface chilled air to be delivered directly to working areas.

Consistent delivery of cemented hydraulic fill underground was sustained through the quarter.

Mined tonnes exceeded tonnes milled, improving opening stockpile balances for 2022.

Processing

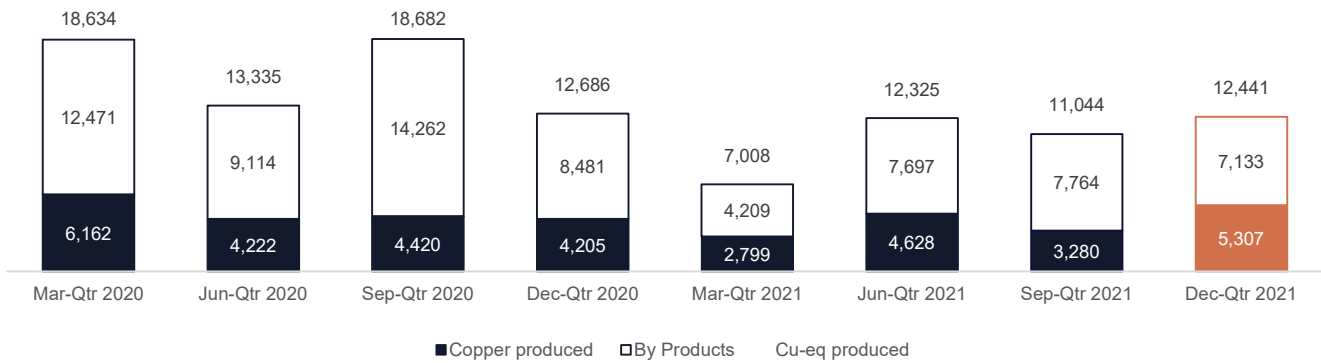
Commencement of tailings deposition into the newly constructed Lift 5 on TSF 1 occurred in late November, allowing the return to unrestricted processing rates in December.

Ore tonnes treated of 365kt (Sep-Qtr 392kt) reflects the constrained throughput to manage the rate of tailings deposition in October and November prior to completion of Lift 5.

Metal production reflects the impact of the rescheduling of the stope mining sequence reported in the Sep-Qtr quarterly report, with higher copper production partly offset by lower by-product metal production.

Optimisation of the triple sequential float circuit continued, including improvements in recovery of lower grade copper ore.

Quarterly production¹ (tonnes)



1. Cu-eq production for 2020 is based on average LME metal prices for 2020 (source: FactSet) and actual metal recoveries. Cu-eq production for the Mar-Qtr 2021, the Jun-Qtr 2021, the Sep-Qtr 2021, the Dec-Qtr 2021, is based on average LME metal prices for the relevant period (source: FactSet) and actual recoveries.

Costs

Site Costs increased to \$74 million (Sep-Qtr \$71 million) driven by higher mining costs for the period. Mining cost increases reflect a combination of the increase in mining activity relative to the prior quarter and the continuation of cost and labour market pressures in WA.

C1 Costs were \$9 million (Sep-Qtr \$5 million) and included a \$3 million stockpile movement charge (Sep-Qtr \$14 million credit), reflecting timing differences between production and sales. By-product credits were \$91 million (Sep-Qtr \$66 million), primarily reflecting higher zinc sales in the Dec-Qtr.

Sustaining capital of \$12 million (Sep-Qtr \$5 million) primarily relates to completion of the TSF1 works, electrical infrastructure upgrades at Gossan Hill, and ventilation upgrades.

Unit C1 Costs increased approximately US\$0.10/lb and unit AISC decreased by US\$0.20/lb in the Dec-Qtr, reflecting the combination of increases in \$m C1 Costs and AISC being offset by higher copper sales.

Capital expenditure of \$4 million related to paste plant works during the period and is reported in growth capital.

Refer to Appendix 2 for the build-up of costs for Dec-Qtr and full year C1 Costs and AISC.



Aerial view of Golden Grove processing plant and surface facilities

Capricorn Copper Operations

| | Unit | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Full Year |
|---------------------------------|-----------------|--------------|--------------|----------------|
| TRIFR | /mmhrs | 12.0 | 13.1 | 12.0 |
| Copper produced | Tonnes | 6,854 | 7,718 | 24,679 |
| Silver produced | Ounces | 72,320 | 72,566 | 269,854 |
| Cu-eq production ^{1 2} | Tonnes | 7,042 | 7,893 | 25,402 |
| C1 Costs | US\$/lb Cu sold | \$2.42 | \$2.47 | \$2.80 |
| AISC | US\$/lb Cu sold | \$3.02 | \$3.20 | \$3.45 |

1. Refer to Appendix 1 for further details regarding production and sales.

2. Cu-eq production for the Sep-Qtr 2021 and the Dec-Qtr 2021 is calculated applying average LME metal prices (Sep-Qtr 2021: Cu US\$9,365/t, Au US\$1,789/oz, Zn US\$2,991/t, Ag US\$24/oz, Pb \$2,338/t; Dec-Qtr 2021: Cu US\$9,685/t, Au US\$1,795/oz, Zn US\$3,365/t, Ag US\$23/oz, Pb \$2,327/t (Source: FactSet)) and actual recoveries (refer to Appendix 1). 2021 full year Cu-eq production cited is the aggregate of reported quarterly Cu-eq for the year.

Mining

Mining continued from all three orebodies (ESS, Mammoth and Greenstone) during the Dec-Qtr. Ore mined for the quarter was 471kt (Sep-Qtr 491kt). Higher copper grade in the Dec-Qtr primarily reflects grade outperformance from Mammoth and particularly Greenstone where higher grades than plan were encountered at the periphery of the orebody.

Mine development activities in the Dec-Qtr continued to focus on establishing multiple production fronts in all three mining areas. To improve production capacity in Mammoth G-Lens, a new fresh air connection was completed during the quarter, and ventilation infrastructure installation is in progress. Works on the new ESS return air ventilation raise commenced during the quarter.

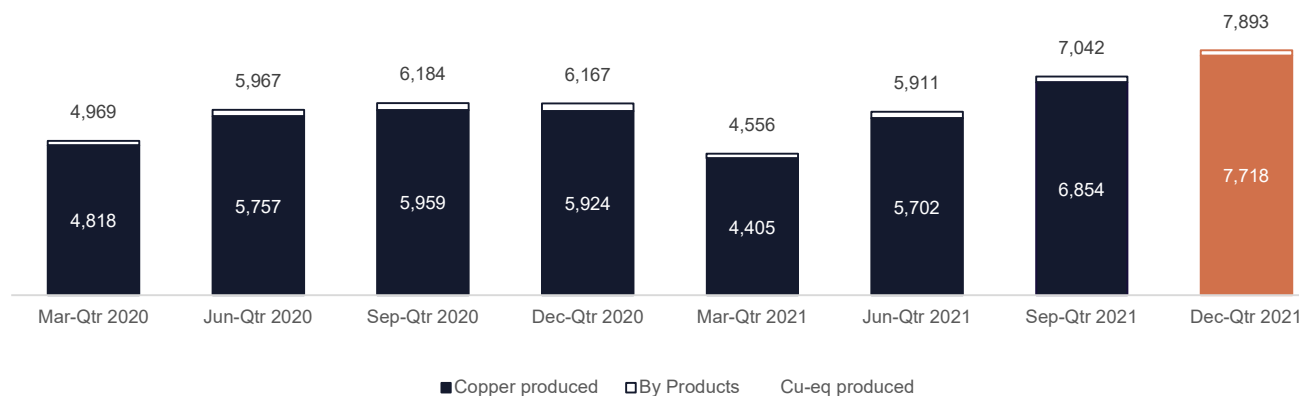
Processing

Ore tonnes milled for the Dec-Qtr was 437kt (Sep-Qtr 425kt) with higher copper metal production reflecting higher feed grade and recovery. Production for the quarter included more than 3,000 tonnes of copper metal produced in the month of December, a new record for Capricorn Copper.

A planned shutdown was undertaken in October replacing crusher and mill liners as well as the SAG mill trunnion bearing and thickener rake. The new tailings line to the Esperanza tailings storage facility ('ETSF') has been installed and tied into the plant ready for commissioning ahead of commencement of deposition into ETSF planned before the end of the January 2022.

As announced on 14 December, 29Metals will be transitioning Capricorn Copper's processing and maintenance operations 'in-house' in February 2022. Preparation for the transition is proceeding to plan. The transition is not expected to materially change operating costs, however, 29Metals expects the change will deliver benefits to the Group through greater alignment and improved ability to retain and share talent across the Group.

Quarterly production¹ (tonnes)



1. Cu-eq production for 2020 is based on average LME metal prices for 2020 (source: FactSet) and actual metal recoveries. Cu-eq production is copper equivalent contained metal. Cu-eq production for the Mar-Qtr 2021, the Jun-Qtr 2021, the Sep-Qtr 2021, the Dec-Qtr 2021, is based on average LME metal prices for the relevant period (source: FactSet) and actual recoveries.

Costs

Site Costs increased to \$46 million (Sep-Qtr \$41 million) reflecting a combination of increases in mining, processing, and G&A costs. Higher mining costs reflect lower capitalised development and expensing of exploration expenditure. Higher processing costs reflect the mill shutdown during the period and reagents costs for wet season water management, partly offset by lower maintenance costs. Higher G&A costs reflect preparation for the wet season including installation of water management infrastructure.

C1 Costs in \$ million terms were \$50 million (Sep-Qtr \$50 million⁶) and included a \$4 million stockpile movement credit (Sep-Qtr \$2 million charge), reflecting a combination of timing differences between production and sales, and increases in ore stockpile balances.

Sustaining capital increased to \$7 million (Sep-Qtr \$3 million), primarily reflecting construction works on the ETSF lift, and surface water management projects.

Higher C1 Costs and AISC unit costs for the quarter reflect A\$m C1 Costs and AISC outcomes, and reduced copper sales of 6.7kt (Sep-Qtr 6.9kt) associated with the timing differences noted above.

Refer to Appendix 2 for the build-up of costs for Dec-Qtr and full year C1 Costs and AISC.



Evaporators in operation at Capricorn Copper

⁶ Sep-Qtr 2021 C1 Costs restated to reflect an adjustment to silver revenue after a reallocation of unrealised QP adjustments between copper and silver.

Key Projects

Golden Grove

- **Paste fill plant:** Final regulatory approvals were secured during the quarter. Commissioning of the paste fill plant is now expected to occur in the Jun-Qtr 2022 as a result of the second paste hole encountering difficult ground conditions and, consequently, being abandoned. An alternative hole was initiated in December and is progressing well.
- **XE access:** During the quarter, decline development and ventilation infrastructure upgrades continued within the upper XE orebody. First production from the orebody commenced on 16 December. The XE and Hougoumont-Oizon-XE ('HOX') link declines advanced 167m and 194m, respectively.
- **Tailings capacity expansion:** Deposition into TSF1 Lift 5A commenced in late November. The next raise to complete Lift 5 (5B) is planned to be completed in the Dec-Qtr 2022.
- **Gossan Valley Feasibility Study:** Important milestone in the Gossan Valley feasibility study achieved late in the quarter with receipt of key study deliverables from external consultants. Final review of the Gossan Valley feasibility study is underway. Preliminary review of deliverables confirms PFS findings that Gossan Valley has the potential to become a third mining front at Golden Grove and a potential key driver of future production growth.

The work completed has identified opportunities to improve project economics, including alternatives to the use of paste fill at Gossan Valley and process plant capacity throughput increases. These opportunities will be assessed in parallel to other life of mine optimisation activities. The optimisation scope will include assessing the potential to integrate and accelerate production from Cervantes following the excellent results of the drilling campaign in 2021 (refer to further update regarding the Cervantes drilling campaign below).

Capricorn Copper

- **ESS sublevel cave:** The sub-level cave at ESS has self-propagated, with breakthrough achieved in the quarter, confirming that external measures to initiate propagation are not required. Capricorn Copper is implementing a surface run-off water diversion around the subsidence zone of the ESS cave. The diversion is a risk mitigation measure for extreme rainfall events. The current extent of subsidence does not intersect surface water courses. Regulatory approvals for a temporary diversion have been received and works are underway. A permanent diversion is planned to be established after the current wet season (subject to regulatory approvals).
- **Wet season water management:** Wet season discharge infrastructure was established in advance of the 2021/22 wet season. Work is progressing on clean surface water diversion projects to further improve management of site water balances.
- **ESS ventilation upgrade:** Raise boring activities have commenced for the new Esperanza South return air raise. The pilot hole has broken through from surface to underground with reaming of the raise commencing this month. Fan installation and commissioning is expected to commence in the Jun-Qtr 2022.
- **ETSF lift:** Construction of the first of two 1.5m raises (for a total ETSF lift of 3m) is progressing with commencement of deposition of tailings expected to commence before the end of January (subject to weather conditions). Completion of the second 1.5m raise is expected to occur in the Jun-Qtr.

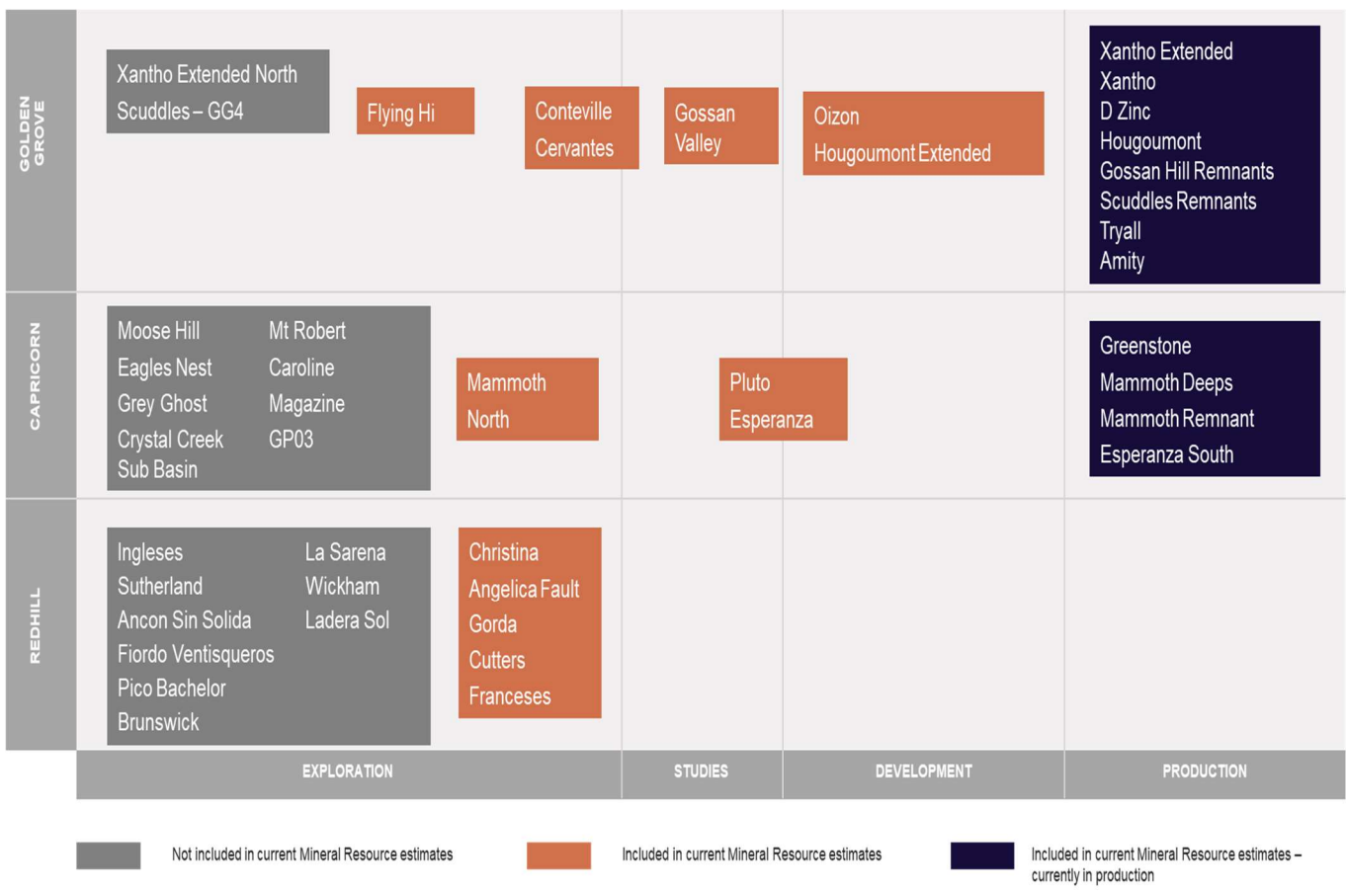
Exploration

Drill testing of areas determined to have organic growth potential continued at both Capricorn Copper and Golden Grove, while final preparations occurred for the 2022 Redhill field season which will run through the Mar-Qtr and into the Jun-Qtr.

Exploration and Resource Development Pipeline

Drilling of the Conteville target near Gossan Valley will advance in 2022 as it is being considered as part of an upside case for Gossan Valley. Following the success of the Cervantes drilling program in 2021, preliminary study work will commence in early 2022 to optimise the Golden Grove mine plan and assess opportunities to bring Cervantes into the production profile earlier.

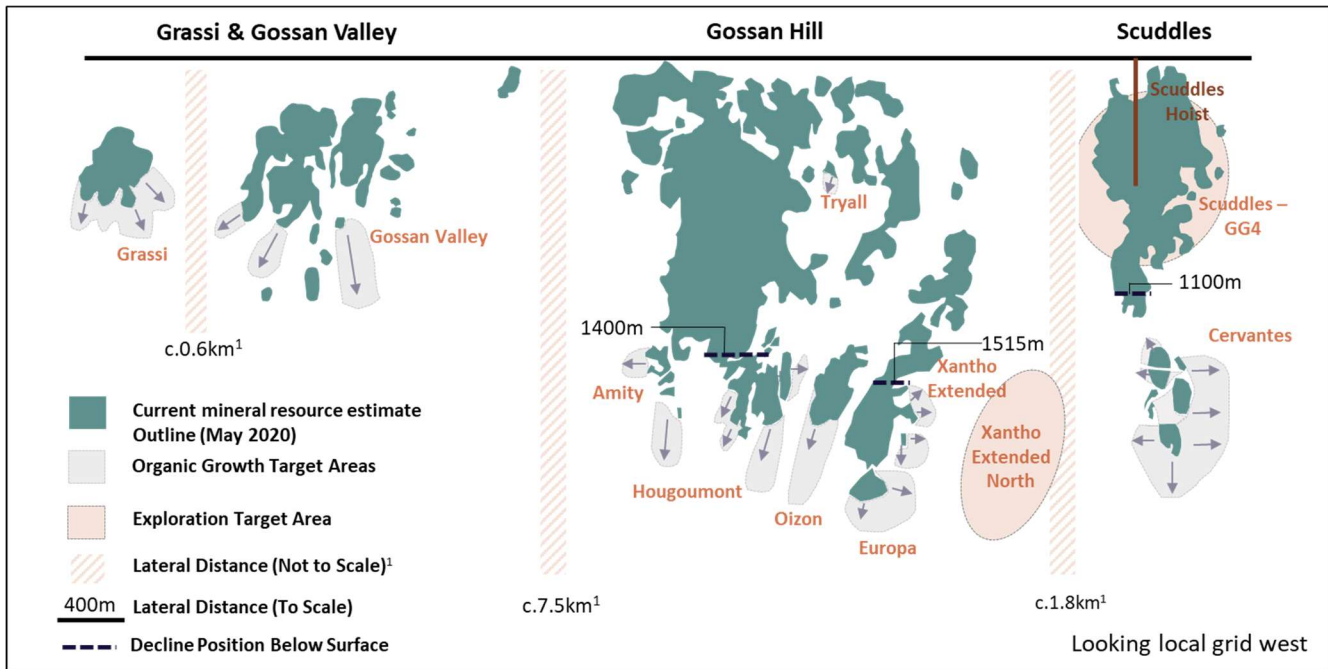
Figure 3 – 29Metals’ exploration and resource development pipeline.



Golden Grove

During the Dec-Qtr, 5,710m of underground drilling took place at Cervantes targeting extensions to current Mineral Resources estimates. Cervantes is one of 29Metals’ in-mine growth opportunities, located approximately 270m below the existing Scuddles mine development at Golden Grove. Cervantes is open along strike to the north, down plunge, and partially above.

Figure 4 – Golden Grove long section



1. Shaded orange bars in figure denote lateral distance between deposits on an illustrative basis (not to scale). Lateral distance between Grassi and Gossan Valley is approximately 0.6 km. Lateral distance between Gossan Valley and the Gossan Hill mine is approximately 7.5 km. Lateral distance between the Gossan Hill mine and the Scuddles mine is approximately 1.8 km.

An additional nine extensional holes and 11 infill holes have been completed at Cervantes following on from the first six extensional holes of the campaign (results released to ASX on 14 September 2021). The results of the balance of the Cervantes drilling campaign will be announced following receipt and assessment of final assay results.

29Metals plans to publish its annual Mineral Resources & Ore Reserves statements in the Mar-Qtr. 29Metals now expects that its updated Mineral Resources estimates will incorporate the majority of the results from the Cervantes drilling campaign.

Regionally, the remaining six holes of the Bald Hill RC drilling campaign were returned in the quarter with no significant results achieved. Soil sampling also occurred in proximity to historic artisanal gold workings known as the Crescent prospect with no significant elevations of gold detected.

Drilling activity in the Mar-Qtr 2022 is planned to focus on Cervantes, Conteville and Amity. Conteville, not shown in the long section above, is located 1.1km north of Gossan Valley and 800m below the surface.

Planned exploration activity at Golden Grove for the balance of 2022 includes:

- extension and infill drilling at Oizon and XE; and
- exploration drilling to test near-mine growth targets at XE North and Scuddles-GG4.

Capricorn Copper

During the Dec-Qtr:

- 3,590m of underground drilling took place at Mammoth Deeps, G Lens, and ESS; and
- 916m of surface diamond drilling was undertaken at the near-mine Magazine target.

Drilling of the Grey Ghost lead-zinc-silver target had to be re-scheduled due to the heavy rain affecting access to the drill site. Instead, three holes were drilled at the Magazine near-mine target to follow up on a historic high grade copper intercept. Visually, one of the three holes intersected minor copper mineralisation. Assay results are pending. Drilling of Grey Ghost is now planned for the Sep-Qtr 2022.

Drilling at ESS, Greenstone, and Mammoth North is planned for the Mar-Qtr 2022, with drilling at ESS planned to extend across the June and September quarters.

Planned exploration activity at Capricorn Copper for the balance of 2022 includes:

- extension and infill drilling at Mammoth G Lens;
- exploration drilling to test regional targets, including GP03, Eagles Nest and Grey Ghost (as noted above); and.
- soil sampling and mapping across numerous regional areas of interest.

Figure 5 shows the location of drilling targets referred to above relative to the Capricorn Copper mine site.

Figure 5 – Capricorn Copper – key targets for exploration

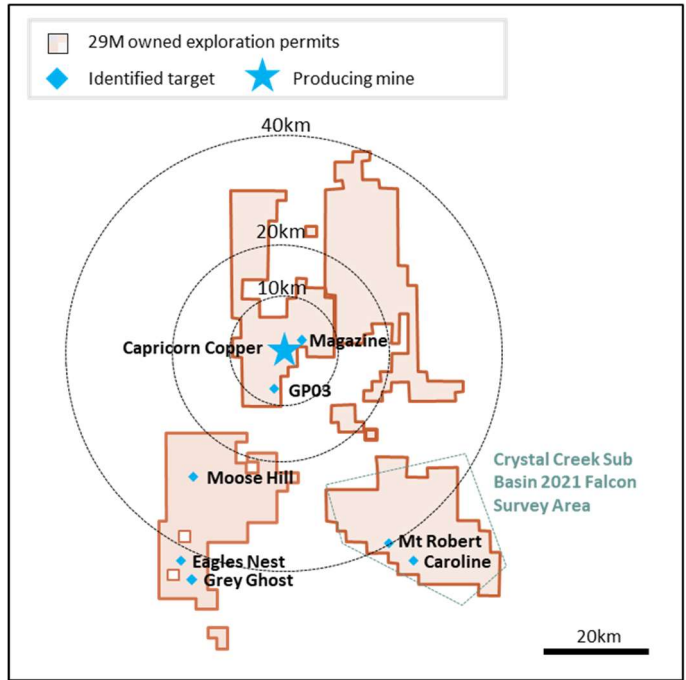
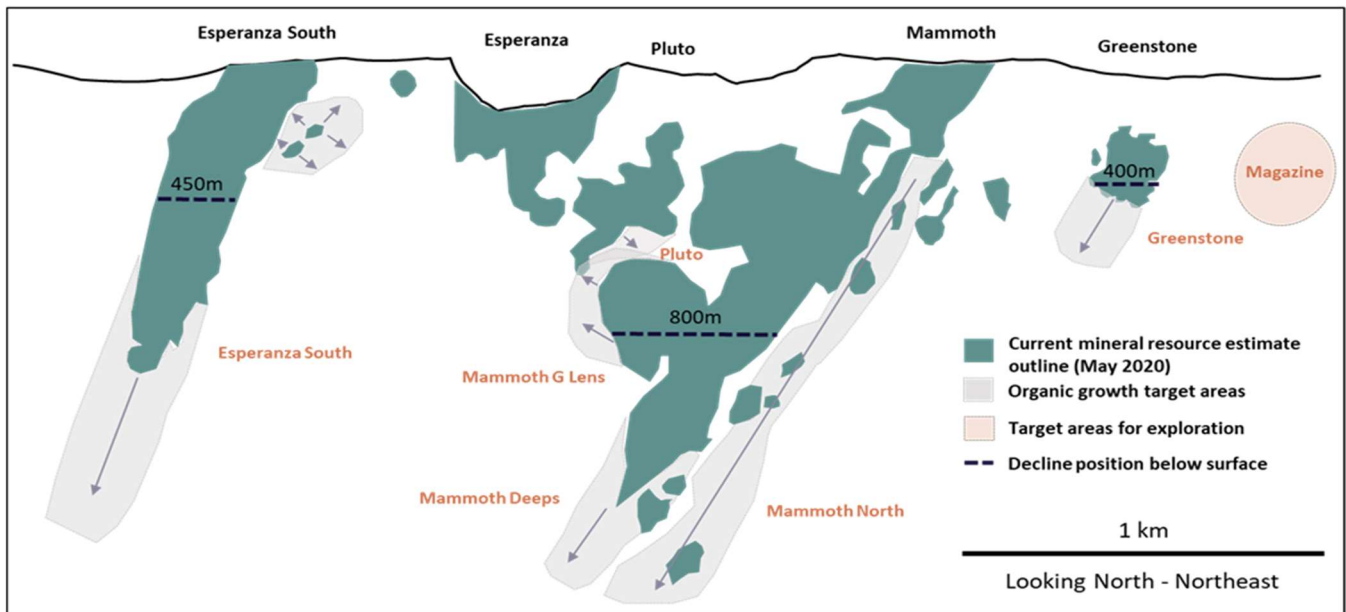


Figure 6 – Capricorn Copper long section



Redhill

Petrophysical test work to inform future geophysical surveys was concluded. Logistics are underway for a targeted field campaign which will run through the Mar-Qtr and into the Jun-Qtr. The targeted campaign is planned to comprise field sampling using portable small drills, rock chip sampling and mapping, as well as high resolution drone-based magnetics surveys.

Corporate

Revenue

29Metals' Gross Revenue for the Dec-Qtr, inclusive of final invoice and unrealised QPs, but excluding hedging gains/losses and TC/RCs, is shown in the table below.

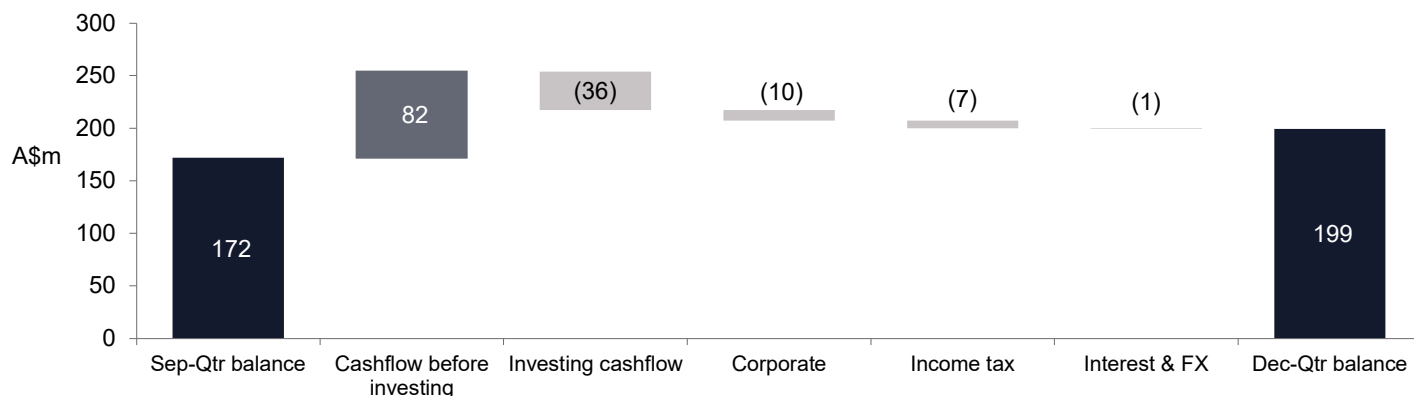
| | Unit | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Full Year |
|--------------------------------|-------------|-------------------|--------------|--------------------|
| Total Gross Revenue | A\$m | 196.5 | 259.7 | 769.5 |
| Golden Grove | A\$m | 104.3 | 162.7 | 466.3 |
| - Copper | A\$m | 39.2 | 69.2 | 198.8 |
| - Gold | A\$m | 23.4 | 18.2 | 65.5 |
| - Zinc | A\$m | 34.2 | 62.0 | 164.2 |
| - Silver | A\$m | 6.2 | 8.1 | 31.5 |
| - Lead | A\$m | 1.6 | - | 4.1 |
| - Unrealised QP gains/losses | A\$m | (0.3) | 5.2 | 2.2 |
| Capricorn Copper | A\$m | 92.2 | 97.0 | 303.2 |
| - Copper | A\$m | 93.4 ¹ | 89.7 | 298.4 ¹ |
| - Silver | A\$m | 2.4 ¹ | 1.9 | 7.8 ¹ |
| - Unrealised QP gains/(losses) | A\$m | (3.6) | 5.4 | (3.0) |

1. Sep-Qtr 2021 restated to reflect reallocation of unrealised QP adjustments between copper and silver. 2021 full year metal revenue incorporates restatement of unrealised QP adjustments in the Mar-Qtr 2021, the Jun-Qtr 2021 and the Sep-Qtr 2021.

Drawn Debt and cash balances

29Metals' unaudited cash balance at 31 December 2021 was \$199 million (Sep-Qtr: \$172 million).

Figure 6 – Group Cash Balance Bridge (unaudited)



1. Cashflow before investing is shown prior to adjustments for AASB16 lease accounting.
2. Investing cashflow payments include payments for property, plant and equipment, capitalised mine development, and exploration.
3. Corporate payments include establishment costs associated with 29Metals new corporate debt facilities.
4. Sep-Qtr 2021 and Dec-Qtr 2021 balances are unaudited cash and cash equivalents, excluding EMR Capital IPO proceeds retained by 29Metals under the "Cash Backed Indemnity" arrangements described in section 10.6.12.3 of the Prospectus.

Stamp duty in relation to the acquisition of Golden Grove, previously anticipated to be finalised during the Dec-Qtr-2021, is now anticipated to be finalised during the Mar-Qtr-2022.

As announced on 1 November, 29Metals achieved financial close for its new corporate debt facilities during the quarter. The new facilities include term loan, working capital, environmental bonding and letter of credit facilities.

Unaudited drawn debt (excluding lease liabilities, and derivative financial assets and liabilities) of US\$150 million is unchanged from 30 Sep 2021.⁷

⁷ Drawn debt excludes bank guarantees issued under the Group's new environmental bonding facility (\$57 million) which was utilised shortly following financial close. The preceding environmental bond bank guarantee (\$36 million), and the associated Trafigura Pte Ltd contractual indemnity have been fully retired.

Head office appointments

29Metals has made key appointments for roles in head office and Group functions. During the quarter, Ms Grace Fong, formerly of KPMG, joined the Company as Group Financial Controller. Subsequent to quarter end, we were pleased to promote excellent internal candidates, Mr Brett Milner and Mr Peter Danks, to the roles of Group Manager Projects, Technology & Innovation and Group Manager Human Resources (respectively).

As noted in the ESG update, recruitment is underway to provide additional capacity at group level to support 29Metals' ESG priorities.

Full year financial results

Preparation of 29Metals' inaugural full year financial results is underway. 29Metals plans to release its full year financial results on 23 February 2022.

Subject to completion of the full year financial results, and the audit process, 29Metals expects full year EBITDA⁸ to meet or exceed forecast EBITDA disclosed in the pro forma forecast financial information in the Prospectus.

This quarterly report is authorised for release by the Managing Director & Chief Executive Officer.

IMPORTANT INFORMATION

Forward Looking Statements

This document contains forward-looking statements and comments about future events, including in relation to 29Metals' businesses, plans and strategies. Forward-looking statements can generally be identified by the use of words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and similar expressions. Indications of, and guidance or outlook regarding, future performance are also forward-looking statements.

Forward-looking statements involve inherent risks, assumptions and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause 29Metals' actual results to differ materially from the plans, objectives, expectations, estimates, targets and intentions expressed in such forward-looking statements, and many of these factors are beyond 29Metals' control. Relevant statements may prove to be incorrect, and circumstances may change, and the contents of this document may become outdated as a result.

Forward looking statements are based on 29Metals' good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect 29Metals' business and operations in the future. 29Metals does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, many of which are beyond 29Metals' reasonable control.

Readers are cautioned not to place undue reliance on forward looking statements, particularly in the current economic climate with the significant volatility, uncertainty and disruption caused directly or indirectly by the COVID-19 pandemic. Except as required by applicable laws, 29Metals does not undertake any obligation to publicly update or revise any forward-looking statements, to advise of any change in assumptions on which any such statement is based, or to publish prospective information in the future.

Non-IFRS financial information

This report includes certain information and data, such as *C1 Costs*, *AISC* and *EBITDA*, that is not recognised under Australian Accounting Standards and are classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). 29Metals uses non-IFRS financial information to assess business performance and provide additional insights into the underlying performance of its assets. The non-IFRS financial information in this report do not have standardised meaning under the Australian Accounting Standards and, as a result, may not be comparable to the corresponding metrics reported by other entities. Non-IFRS financial information should be considered in addition to, and not as a substitute for, financial information prepared in accordance with Australian Accounting Standards. Readers are cautioned not to place undue reliance on non-IFRS financial information cited in this report.

⁸ EBITDA is *earnings before interest, tax, depreciation and amortisation*. EBITDA is calculated inclusive of adjustments for AASB16 Lease Accounting. EBITDA is non-IFRS financial information. Refer to important information on page 15 of this report in relation to the use of non-IFRS financial information.

Corporate Information

29Metals Limited (ABN 95 650 096 094)

Board of Directors

| | |
|----------------------|------------------------------------|
| Owen Hegarty OAM | Non-Executive Chairman |
| Peter Albert | Managing Director & CEO |
| Fiona Robertson | Independent Non-Executive Director |
| Jacqueline McGill AO | Independent Non-Executive Director |
| Martin Alciaturi | Independent Non-Executive Director |

Company Secretary

Clifford Tuck

Registered Office

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Telephone: +61 3 7037 5300

Email: contactus@29Metals.com

Website: www.29Metals.com

Stock Exchange Listing

Australian Securities Exchange (Ticker: 29M)

Investor relations Enquiries

Michael Slifirski

Group Manager Investor Relations

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Email: Michael.Slifirski@29Metals.com

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Michael Weir/Cameron Gilenko

Citadel-MAGNUS

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Registry

Link Market Services

Telephone: +61 1300 554 474

Email: registrars@linkmarketservices.com.au

Website: www.linkmarketservices.com.au

Issued Share Capital

29Metals' issued capital is 480,455,000 ordinary shares.

Appendix 1: Production and sales

| | Unit | Mar-Qtr 2021 | Jun-Qtr 2021 | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Full Year |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Golden Grove | | | | | | |
| Ore Mined | kt | 358 | 423 | 360 | 384 | 1,525 |
| Ore Milled | kt | 278 | 369 | 392 | 365 | 1,405 |
| Milled Grade | Cu-eq (%) | 3.3% | 4.1% | 3.5% | 4.2% | 3.8% |
| | Copper (%) | 1.2% | 1.4% | 1.0% | 1.7% | 1.3% |
| | Gold (g/t) | 0.9 | 1.4 | 1.0 | 1.0 | 1.1 |
| | Zinc (%) | 3.3% | 4.0% | 4.6% | 3.9% | 4.0% |
| | Silver (g/t) | 28.9 | 53.3 | 36.3 | 49.5 | 42.7 |
| Recovery | Copper (%) | 85.7% | 86.8% | 84.3% | 87.1% | 86.2% |
| | Gold (%) | 63.4% | 76.5% | 71.9% | 73.3% | 72.5% |
| | Zinc (%) | 83.8% | 84.1% | 86.7% | 84.8% | 85.1% |
| | Silver (%) | 72.8% | 80.6% | 74.1% | 78.9% | 77.5% |
| Cu Concentrate Prod. ¹ | dmt | 13,945 | 25,155 | 17,176 | 27,592 | 83,868 |
| | Cu grade (%) | 18.7% | 18.1% | 18.3% | 19.1% | 18.6% |
| | Copper (t) | 2,613 | 4,559 | 3,145 | 5,275 | 15,592 |
| | Gold (oz) | 3,257 | 11,950 | 7,557 | 8,176 | 30,940 |
| | Silver (oz) | 122,030 | 394,654 | 194,450 | 320,148 | 1,031,282 |
| Zn Concentrate Prod. ¹ | dmt | 15,279 | 24,999 | 31,410 | 25,353 | 97,040 |
| | Zn grade (%) | 50.5% | 49.6% | 49.4% | 47.8% | 49.2% |
| | Zinc (t) | 7,720 | 12,392 | 15,518 | 12,126 | 47,756 |
| | Gold (oz) | 797 | 592 | 745 | 546 | 2,679 |
| | Silver (oz) | 42,182 | 62,141 | 76,241 | 84,174 | 264,737 |
| HPM Concentrate Prod. ¹ | dmt | 1,191 | 1,820 | 2,324 | 1,427 | 6,763 |
| | Gold (oz) | 1,040 | 384 | 734 | 73 | 2,231 |
| | Silver (oz) | 24,002 | 53,254 | 68,461 | 54,603 | 200,320 |
| | Copper (t) | 187 | 70 | 135 | 32 | 423 |
| | Lead (t) | 211 | 652 | 810 | 775 | 2,448 |
| Metal Produced | Copper (t) | 2,799 | 4,628 | 3,280 | 5,307 | 16,015 |
| | Gold (oz) | 5,093 | 12,927 | 9,035 | 8,795 | 35,850 |
| | Zinc (t) | 7,720 | 12,392 | 15,518 | 12,126 | 47,756 |
| | Silver (oz) | 188,214 | 510,048 | 339,152 | 458,925 | 1,496,339 |
| | Lead (t) | 211 | 652 | 810 | 775 | 2,448 |
| Payable Metal Sold | Copper (t) | 2,506 | 3,733 | 3,233 | 5,053 | 14,526 |
| | Gold (oz) | 3,733 | 6,954 | 9,545 | 7,456 | 27,688 |
| | Zinc (t) | 6,503 | 11,149 | 8,168 | 12,701 | 38,521 |
| | Silver (oz) | 156,727 | 337,016 | 210,557 | 278,031 | 982,330 |
| | Lead (t) | 0 | 851 | 424 | 0 | 1,275 |
| Capricorn Copper | | | | | | |
| Ore Mined | kt | 415 | 395 | 491 | 471 | 1,772 |
| Ore Milled | kt | 412 | 430 | 425 | 437 | 1,703 |
| Milled Grade | Copper (%) | 1.3% | 1.6% | 1.8% | 2.0% | 1.7% |
| Recovery | Copper (%) | 80.0% | 84.8% | 88.6% | 88.8% | 86.1% |
| Cu Concentrate Prod. | dmt | 19,684 | 25,160 | 27,236 | 32,644 | 104,723 |
| | Cu grade (%) | 22.4% | 22.7% | 25.2% | 23.6% | 23.6% |
| | Copper (t) | 4,405 | 5,702 | 6,854 | 7,718 | 24,679 |
| | Silver (oz) | 48,813 | 76,155 | 72,320 | 72,566 | 269,854 |
| Payable Metal Sold | Copper (t) | 4,403 | 4,690 | 6,933 | 6,673 | 22,698 |
| | Silver (oz) | 41,455 | 58,382 | 70,761 | 58,188 | 228,787 |

1. Metal volumes cited for Cu, Zn and HPM Concentrate Production includes those metals that are payable under the relevant concentrate offtake arrangements only.

Appendix 2: C1 Costs and AISC

| | Unit | Mar-Qtr 2021 | Jun-Qtr 2021 | Sep-Qtr 2021 | Dec-Qtr 2021 | 2021 Full Year |
|------------------------------------|----------------|--------------|--------------|------------------|--------------|----------------|
| Golden Grove | | | | | | |
| Mining (excl. CapDev) | A\$m | 45.6 | 44.0 | 48.4 | 51.1 | 189.1 |
| Processing | A\$m | 15.4 | 16.0 | 15.8 | 16.2 | 63.4 |
| G&A | A\$m | 5.7 | 7.6 | 7.0 | 6.4 | 26.7 |
| Concentrate transport | A\$m | 3.1 | 3.8 | 3.3 | 5.4 | 15.6 |
| TC/RCS | A\$m | 9.1 | 9.7 | 10.3 | 17.6 | 46.6 |
| Stockpile movements | A\$m | (15.3) | (1.2) | (14.3) | 3.0 | (27.8) |
| By-products ¹ | A\$m | (36.2) | (76.4) | (65.7) | (90.5) | (268.8) |
| C1 Costs | A\$m | 27.4 | 3.4 | 4.9 | 9.1 | 44.8 |
| Payable copper sold | Mlbs | 5.5 | 8.2 | 7.1 | 11.1 | 32.0 |
| C1 Costs | A\$/lb | 4.97 | 0.41 | 0.68 | 0.82 | 1.40 |
| C1 Costs | US\$/lb | 3.84 | 0.32 | 0.50 | 0.60 | 1.05 |
| Royalties | A\$m | 2.8 | 5.8 | 3.6 | 6.2 | 18.4 |
| Sustaining capex | A\$m | 2.9 | 2.5 | 4.8 | 12.5 | 22.7 |
| Capitalised development | A\$m | 7.9 | 9.5 | 11.8 | 8.6 | 37.8 |
| AISC | A\$m | 41.1 | 21.2 | 25.1 | 36.3 | 123.6 |
| AISC | A\$/lb | 7.44 | 2.57 | 3.52 | 3.26 | 3.86 |
| AISC | US\$/lb | 5.75 | 1.98 | 2.58 | 2.38 | 2.90 |
| Growth Capital ⁴ | A\$m | 1.9 | 3.7 | 1.5 | 4.2 | 11.3 |
| Capricorn Copper | | | | | | |
| Mining (excl. CapDev) | A\$m | 20.6 | 22.1 | 23.0 | 23.8 | 89.5 |
| Processing | A\$m | 12.0 | 13.4 | 12.2 | 13.1 | 50.7 |
| G&A | A\$m | 6.1 | 5.6 | 6.3 | 9.4 | 27.4 |
| Concentrate transport ² | A\$m | 2.9 | 3.9 | 5.7 | 5.3 | 17.7 |
| TC/RCS ² | A\$m | 2.6 | 2.5 | 3.8 | 4.5 | 13.5 |
| Stockpile movements | A\$m | 2.6 | (4.6) | 1.8 | (4.4) | (4.6) |
| By-products ¹ | A\$m | (1.4) | (2.1) | (2.4) | (1.9) | (7.8) |
| C1 Costs | A\$m | 45.4 | 40.8 | 50.4 | 49.8 | 186.3 |
| Payable copper sold | Mlbs | 9.7 | 10.3 | 15.3 | 14.7 | 50.0 |
| C1 Costs | A\$/lb | 4.67 | 3.95 | 3.30 | 3.38 | 3.72 |
| C1 Costs | US\$/lb | 3.61 | 3.04 | 2.42 | 2.47 | 2.80 |
| Royalties | A\$m | 2.3 | 3.0 | 3.6 | 3.9 | 12.8 |
| Sustaining capex | A\$m | 1.1 | 1.2 | 3.3 ³ | 6.7 | 12.4 |
| Capitalised development | A\$m | 5.2 | 3.5 | 5.4 | 4.3 | 18.5 |
| AISC | A\$m | 54.0 | 48.5 | 62.8 | 64.7 | 230.0 |
| AISC | A\$/lb | 5.56 | 4.70 | 4.11 | 4.40 | 4.60 |
| AISC | US\$/lb | 4.30 | 3.62 | 3.02 | 3.20 | 3.45 |
| Growth Capital | A\$m | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 29Metals Group | | | | | | |
| C1 Costs | A\$m | 72.9 | 44.3 | 55.3 | 59.1 | 231.6 |
| Payable copper sold | Mlbs | 15.2 | 18.6 | 22.4 | 25.9 | 82.1 |
| C1 Costs | A\$/lb | 4.79 | 2.38 | 2.47 | 2.29 | 2.82 |
| C1 Costs | US\$/lb | 3.70 | 1.84 | 1.81 | 1.67 | 2.12 |
| Royalties | A\$m | 5.1 | 8.7 | 7.3 | 10.1 | 31.2 |
| Corporate ⁴ | A\$m | 4.1 | 4.1 | 3.6 | 6.2 | 18.0 |
| Sustaining capex | A\$m | 4.0 | 3.7 | 8.7 | 19.2 | 35.7 |
| Capitalised development | A\$m | 13.1 | 13.0 | 17.2 | 12.9 | 56.2 |
| AISC | A\$m | 99.2 | 73.8 | 92.1 | 107.4 | 372.6 |
| AISC | A\$/lb | 6.51 | 3.98 | 4.11 | 4.16 | 4.54 |
| AISC | US\$/lb | 5.03 | 3.06 | 3.02 | 3.03 | 3.41 |
| Growth Capital | A\$m | 1.9 | 3.7 | 1.5 | 4.2 | 11.3 |
| Group Exploration | A\$m | 2.5 | 2.0 | 2.2 | 1.0 | 7.7 |
| FX rate | USD:AUD | 0.773 | 0.770 | 0.735 | 0.729 | 0.752 |

1. Golden Grove by-products gold, zinc, silver lead revenue, net of unrealised Zn and HPM QP's. Capricorn Copper by-product is silver revenue. Sep-Qtr restated to reflect reallocation of unrealised QP adjustments between copper and by-product metals. 2021 full year metal revenue incorporates unrealised QP adjustments in the Mar-Qtr 2021, the Jun-Qtr 2021 and the Sep-Qtr 2021.

2. The line item called 'Freight / Port' in the Jun-Qtr report and the Sep-Qtr 2021 report has been renamed 'Concentrate Transport' in the Dec-Qtr 2021 report. Shipping costs at Golden Grove were previously included in TC/RCS are shown as concentrate transport in the Dec-Qtr 2021 report.

-
3. Sustaining capital for the Sep-Qtr 2021 restated to reflect a reallocation from sustaining capital to equipment leases posted during the Dec-Qtr 2021.
 4. Corporate costs for the Sep-Qtr 2021 and Dec-Qtr 2021 are actual corporate costs (including actual 29Metals head office costs) for the period. Corporate costs for 2021 full year includes prof forma adjusted corporate costs for the Mar-Qtr 2021 and June-Qtr 2021.

Appendix 3: Asset Guidance ⁹

| | | 2021 Actual | 2022 Guidance |
|------------------------------------|------|----------------|------------------|
| Golden Grove | | | |
| Production | | | |
| Ore Mined | kt | 1,525 | 1,450 – 1,650 |
| Ore Milled | kt | 1,405 | 1,450 – 1,650 |
| Copper produced ¹ | kt | 16 | 15 – 19 |
| Zinc produced ¹ | kt | 48 | 55 – 65 |
| Gold produced ¹ | koz | 36 | 27 – 34 |
| Silver produced ¹ | koz | 1,496 | 1,050 – 1,250 |
| Lead produced ¹ | kt | 2 | 2 - 3 |
| Costs ² | | | |
| Mining ³ | A\$m | 189 | 200 – 230 |
| Processing | A\$m | 63 | 65 – 75 |
| G&A costs | A\$m | 27 | 26 – 32 |
| Concentrate transport | A\$m | 16 | 32 – 36 |
| TC/RCs | A\$m | 47 | 43 – 50 |
| Capital ⁴ | | | |
| Sustaining capital ⁵ | A\$m | 23 | 19 – 23 |
| Capitalised development | A\$m | 38 | 16 – 20 |
| Growth capital | A\$m | 11 | 8 – 10 |
| Capricorn Copper | | | |
| Production | | | |
| Ore Mined | kt | 1,772 | 1,600 – 1,850 |
| Ore Milled | kt | 1,703 | 1,600 – 1,850 |
| Copper produced ¹ | kt | 25 | 23 – 27 |
| Silver produced ¹ | koz | 270 | 320 – 390 |
| Costs ² | | | |
| Mining ³ | A\$m | 89 | 89 – 102 |
| Processing | A\$m | 51 | 51 – 56 |
| G&A | A\$m | 27 | 28 – 34 |
| Concentrate transport ⁶ | A\$m | 18 | 19 – 22 |
| TC/RCs | A\$m | 14 | 13 – 16 |
| Capital ⁴ | | | |
| Sustaining capital ⁵ | A\$m | 12 | 25 – 32 |
| Capitalised development | A\$m | 18 | 14 – 19 |
| Growth capital | A\$m | - | - |

1. Production shown on a contained metal in concentrate basis.
2. Mining costs, processing costs and G&A shown before adjustments for AASB16 lease accounting.
3. Mining costs excludes capitalised development.
4. Sustaining capital includes resource conversion drilling at operating sites.
5. Regional exploration and resource extension activities at Golden Grove and Capricorn Copper are reported in Group exploration by 29Metals. Resource conversion expenditure at Golden Grove and Capricorn Copper is reported in Sustaining Capital.
6. Capricorn Copper concentrate transport costs include freight realisation charges payable on domestic concentrate sales with majority of freight sales expected to be delivered domestically in 2022. Guidance provided accounts for freight parity impacts.

⁹ Guidance provided is subject to market and operating conditions. Refer to important information on page 15 of this report regarding forward looking statements.