

23 February 2022

2021 Full Year Financial Results

29Metals Limited ('29Metals' or the 'Company') today released its Appendix 4E and Annual Financial Report for the year ended 31 December 2021 (the '2021 Financial Results') for 29Metals and its controlled entities (the 'Group'). This release presents a summary of information reported in the 2021 Financial Results and should be read in conjunction with the 2021 Financial Results separately released today.

Key results

Statutory¹

The results reported today comprise the statutory results for the Golden Grove Group² for the six months to 30 June 2021 combined with the results for the post IPO 29Metals Group for the six months ended 31 December 2021.

- **Revenue of \$600.8 million** (2020: \$434.5 million), reflecting higher commodity prices and Capricorn Copper H2 revenue
- **EBITDA³ of \$177.3 million** (2020: \$155.5 million), reflecting higher revenues partly offset by higher cost of sales
- **Operating cash flow of \$75.1 million** (2020: \$130.6 million), reflecting higher revenues and improving operating performance, partly offset by higher costs of goods sold, transaction expenses and inventory movements
- **Net Profit After Tax ('NPAT') of \$121.0 million** (2020: nil), including the impacts of the IPO transactions in 2021
- **Adjusted Net Profit After Tax ('Adjusted NPAT')³ of \$55.8 million** (2020: \$82.7 million), after adjusting for non-recurring restructure and IPO transactions impacts
- **Net Drawn Debt of \$3.5 million** (2020: \$112.6 million), comprising cash of \$197 million⁴ and Drawn Debt of \$201 million (US\$150 million)².

No dividend at the full year.

The Board is committed to delivering sustainable returns to shareholders and will closely consider dividends at the half year, taking into account operating and financial performance, and the Group's capital management requirements and growth investment priorities.

Pro forma

For presentation purposes, the pro forma financial information is compared to the pro forma forecast financial information ('PPF') set out in the 29Metals Prospectus dated 21 June 2021 (a copy of which was released to the ASX on 2 July 2021) (the '29Metals Prospectus').

- **Pro forma Revenue of \$709.6 million** (PPF: \$665.3 million), reflecting higher copper production and realised commodity prices, partly offset by lower than forecast by-product metal production and revenue, relative to PPF assumptions
- **Pro forma EBITDA of \$254.1 million** (PPF: \$221.0 million), reflecting higher revenues and stockpile adjustments, partly offset by higher site operating costs, relative to PPF assumptions.
- **Pro forma NPAT of \$34.3 million** (PPF: \$36.5 million), reflecting the factors described above offset by higher unrealised losses due to foreign exchange movements on debt balances and commodity price movements on derivative financial instruments, relative to PPF assumptions.

Pro forma results are included to provide investors with an understanding of the performance of the Group for the full year (i.e., as if the restructure and IPO transactions in 2021 occurred before 1 January 2021). Pro forma results are non-IFRS financial information and have not been audited. Refer to page 2 for important information regarding the use of non-IFRS financial information in this release, including the basis of preparation of pro forma financial information.

¹ Statutory financial results are reported against the financial results of the Golden Grove Group for the year ended 31 December 2020 (the prior corresponding period). Refer to page 3 for further information regarding the basis of preparation of the statutory financial results.

² The *Golden Grove Group* comprises Golden Grove, LP, Golden Grove Holdings (No.2) Pty Ltd, Golden Grove Holdings (No.3) Pty Ltd and Golden Grove Operations Pty Ltd.

³ *EBITDA*, *Adjusted NPAT*, *Drawn Debt* and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to page 2 for important information regarding the use of non-IFRS financial information in this release.

⁴ Cash excludes cash held as rental security deposit and EMR Capital Investors' IPO proceeds retained by 29Metals under the "Cash Backed Indemnity" arrangements described in section 10.6.12.3 of the Prospectus.

Commenting on the financial results Managing Director & Chief Executive Officer, Peter Albert, said:

“29Metals is extremely pleased to present its inaugural full year financial results, capping off a landmark year for the Company following the successful completion of our IPO seven short months ago, one of the largest base-metals IPOs for more than a decade, bringing together two high quality, long-life producing assets and a portfolio of organic growth opportunities.

The financial results announced today underline the potential of 29Metals with our financial performance exceeding Prospectus forecasts for revenue and EBITDA, reflecting strong operating performance, particularly in the second half, supported by strong commodity prices.

The restructure and IPO transactions, combined with the financial results for the year, provide us with the platform to execute our organic growth strategy.

29Metals is well positioned to capitalise on the positive outlook for the commodities we produce, particularly copper and zinc, and we are focused on executing our plans to deliver sustainable growth in shareholder value in the coming years.

We ended the year with a strong cash balance and low net drawn debt position. As part of our ongoing commitment to deliver shareholder value, the Board will closely consider dividends at the half-year, having regard for operating and financial performance and the capital requirements to advance the Company's growth ambitions, with a number of important decisions looming in relation to our organic growth opportunities.”

Important information regarding non-IFRS financial information

Non-IFRS financial information metrics used in this release

This release contains certain information, such as *C1 Costs, AISC, EBITDA, Adjusted NPAT, Adjusted EPS, Drawn Debt, Net Drawn Debt* and *Cu-eq*, that is not recognised under Australian Accounting Standards and is classified as 'non-IFRS financial information' under ASIC Regulatory Guide 230 (*Disclosing non-IFRS financial information*).

Non-IFRS financial information metrics do not have standardised meanings under the Australian Accounting Standards and, as a result, may not be comparable to the corresponding metrics reported by other entities.

The non-IFRS financial information metrics in this release are unaudited.

29Metals uses these non-IFRS financial information metrics to assess business performance and provide additional insights into the underlying performance of its assets.

The Appendix to this release sets out the definitions for non-IFRS financial information metrics used in this release, along with a reconciliation of *Adjusted NPAT* to NPAT and *EBITDA* to NPAT.

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 release.

Pro forma financial information

In addition to the non-IFRS financial information metrics referred to above, this release contains pro forma financial information. Pro forma financial information is non-IFRS financial information and is unaudited.

The pro forma financial information in this release has been included to provide investors with additional insights regarding the operating and financial performance of the Group for the full year because the statutory financial information excludes the financial and operating performance of Capricorn Copper in the period prior to the 29Metals IPO.

Information regarding the basis of preparation of the statutory results is summarised in this release and set out in the 2021 Financial Results separately released today.

For presentation purposes, the pro forma financial information in this release is compared against the PPF. Information regarding the basis of preparation of the PPF and the assumptions underpinning the PPF are set out in section 5 of the 29Metals Prospectus.

The pro forma financial information in this release 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 release.

Statutory financial results

In 2021, 29Metals completed a series of restructure and IPO transactions (together, the '**Restructure and IPO Transactions**'), whereby 29Metals acquired Capricorn Copper, Golden Grove and Redhill, establishing the Group and culminating in the successful 29Metals IPO in July 2021 raising gross proceeds of \$528 million.

For statutory accounting purposes, the Golden Grove Group has been determined to be the acquiror in the Restructure and IPO Transactions, by way of reverse acquisition of 29Metals (comprising the Capricorn Copper and Redhill groups). This accounting treatment flows through the statutory financial results for the Group for the year ended 31 December 2021 and includes accounting adjustments required for the first-time adoption of IFRS financial reporting for Golden Grove, LP. Consequently, 29Metals' statutory results for 2021 reflect:

- the financial results of the Golden Grove Group for the six months ended 30 June 2021; and
- the financial results for the Group for the six months ended 31 December 2021.

The statutory financial results for the prior corresponding period are the statutory financial results of the Golden Grove Group for the year ended 31 December 2020.

Summary results

		2021	2020	CHANGE
Revenue ¹	\$'000	600,762	434,451	166,311
Cost of sales	\$'000	(464,118)	(325,839)	(138,279)
Gross profit	\$'000	136,644	108,612	28,032
EBITDA ²	\$'000	177,291	155,527	21,764
Operating cash flow	\$'000	75,098	130,602	(55,504)
Profit before net finance costs and income tax expense	\$'000	48,039	135,175	(87,136)
Net finance costs ³	\$'000	(30,262)	(100,661)	70,399
Profit before income tax expense	\$'000	17,777	34,514	(16,737)
Income tax gain / (expense)	\$'000	103,236	(34,514)	137,750
Net Profit After Tax ('NPAT')	\$'000	121,013	0	121,013
Adjusted NPAT ²	\$'000	55,796	82,716	(26,920)
Earnings per share ('EPS') ⁴	cents	48.5	N/a	N/a
Adjusted EPS ^{2,4}	cents	22.4	N/a	N/a
Cash and equivalents	\$'000	197,472	107,215	90,257
Net Drawn Debt ²	\$'000	3,499	112,561	(109,062)
Copper price ⁵	US\$/t	9,305	6,175	3,130
Exchange rate ⁵	AUD:USD	0.752	0.691	(0.020)

1. Revenue comprises revenue for all mineral concentrate sales, inclusive of final shipment invoice and quotational period ('QP') adjustments, and after treatment and refinement costs and charges ('TCRCs').

2. EBITDA, Adjusted NPAT, Adjusted EPS and Net Drawn Debt are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information metrics on page 2 of this release.

3. Includes impact of IFRS first time adoption, including recognising attributable profit and distributions to the partners of Golden Grove, LP in Net finance cost. Refer to Notes 2 and 41 of the 2021 Financial Results for further information.

4. EPS for the prior period cited as N/a (not applicable) on the basis that partner capital contributions to Golden Grove, LP, are treated as a financial liability for accounting purposes.

5. Copper price and AUD:USD exchange rate are averages for the period (Source: FactSet).

Revenue for 2021 increased by \$166.3 million, or 38%, from 2020, reflecting higher realised AUD commodity prices and the inclusion of Capricorn Copper revenue in the second half, partly offset by lower production from Golden Grove driven by lower mined grades in 2021 which were negatively impacted by the rescheduling of the stope mining sequence announced in the quarterly report for the September 2021 quarter.

Cost of sales increased by \$138.3 million, or 42%, from 2020, reflecting cost and labour pressures, particularly in the second half of 2021, and the inclusion of Capricorn Copper costs of sales for the second half. Increased costs included the impact of labour market pressures, particularly in Western Australia, and the continuing impact of COVID-19 related cost pressures.

COVID-19 impacted 29Metals directly and indirectly in 2021 through delivery delays, timing impacts for specialised services, implementation of COVID-19 Management Plans, and continuing labour market pressures exacerbated by state border closures and restrictions on FIFO access.

2021 Gross profit of \$136.6 million (2020: \$108.6 million) increased by \$28.0 million, or 26%, from 2020, reflecting increased revenue partly offset by higher cost of sales. 2021 Operating cash flow of \$75.1 million (2020: \$130.6 million) reflects the higher Gross profit result, working capital movements in relation to ore stockpiles and trade payables and payment of transaction costs in relation to the Restructure and IPO Transactions.

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A loss was recorded on derivative financial instruments, primarily in relation to copper hedges at Capricorn Copper and the impact of movements in foreign exchange rates in relation to US\$ denominated debt balances. This compares to 2020 which was a gain on derivative financial instruments reflecting a mark-to-market gain on the gold hedges at Golden Grove and foreign exchange US\$ denominated debt. The 2021 Financial Results include a loss of \$11.1 million (2020: \$8.4 million gain) on derivative financial instruments and a loss of \$13.5 million (2020: \$26.8 million gain) on foreign exchange.

Administration costs increased by \$14.0m and other expenses increased by \$41.7 million due to the inclusion of one-off IPO expenses of \$18.3 million and \$26.4 million of stamp duty triggered by the reverse acquisition of the Golden Grove Group.

Profit before net finance costs and income and tax expense reduced by \$87.1 million in 2021 to \$48.0 million (2020: \$135.2 million), primarily reflecting the combination of higher gross profit, unrealised losses on derivative financial instruments and unrealised losses on foreign exchange, and higher administration and other expenses.

NPAT in 2021 was \$121.0 million (2020: nil), after IPO transaction costs and stamp duty referred above and a tax benefit of \$119.4 million from the reset of tax cost base following formation of the 29Metals tax consolidated group. The 2021 NPAT result is after recognising distributions at the Golden Grove, LP level of \$14.9 million (2020: \$82.7 million) as a finance cost in accordance with IFRS.

Adjusted NPAT has been derived after removing the post-tax impact of non-recurring items from reported statutory NPAT. 2021 Adjusted NPAT was \$55.8 million, a \$26.9 million decrease from 2020. Refer to the Appendix for a reconciliation of Adjusted NPAT to NPAT.

Balance sheet

In addition to the Restructure and IPO Transactions, in 2021 29Metals successfully completed a refinance, replacing pre-IPO Golden Grove facilities with new Group corporate debt facilities.

The table below summarises 29Metals debt facilities and cash position at 31 December 2021.

	UNITS	2021
Term loan facility	\$'000	200,971
Working capital facility	\$'000	0
Drawn Debt ¹	\$'000	200,971
Cash and cash equivalents	\$'000	197,472
Net Drawn Debt ¹	\$'000	3,499
Drawn Debt / 2021A pro forma EBITDA	x	0.79x
Net Drawn Debt / 2021A pro forma EBITDA	x	0.01x

¹ Drawn Debt and Net Drawn Debt are non-IFRS financial information metrics. Refer to important information on page 2 regarding the use of non-IFRS financial information metrics in this release.

Cash and cash equivalents at 31 December 2021 is after payment of all Restructure and IPO Transactions costs, other than Western Australia stamp duty, for which a provision for \$26 million has been included in the 2021 Financial Result. This amount is subject to assessment from Western Australia revenue authorities.

The Group debt facilities include environmental bonding facilities of \$58 million for Capricorn Copper. The Group US\$40 million working capital facility is undrawn.

As foreshadowed in the 29Metals Prospectus, in 2021 29Metals cash-settled the outstanding 2021 copper hedges at Capricorn Copper from IPO proceeds.

Remaining metal hedges are summarised below. 29Metals has no copper hedging beyond the September quarter in 2022.

YEAR ENDING 31 DECEMBER	COPPER HEDGES		GOLD HEDGES	
	TONNES	A\$/TONNE ¹	OUNCES	A\$/OUNCE ¹
2022	7,200	8,990 ²	13,992	2,590
2023	-	-	10,008	2,590
2024	-	-	10,008	2,590
2025	-	-	10,008	2,590

¹ A\$/tonne and A\$/ounce cited is the average of hedging commitments for the period.

² 2022 copper hedges apply to March, June and September 2022 quarters.

At 31 December 2021, the remaining Capricorn Copper copper hedges represented a \$31.3 million financial liability, and Golden Grove gold hedges represented a \$1.5 million financial asset. Realised and unrealised hedging gains and losses are reported in the Statement of Comprehensive Income⁵ for the relevant period.

⁵ Reported as "Net gain / (loss) on derivative financial instruments".

Pro forma financial results

Set out below is a summary of the financial results for the Group for the year ended 31 December 2021 on a pro forma basis. Pro forma financial information is non-IFRS financial information and is unaudited. Refer to important information regarding the use of non-IFRS financial information on page 2 of this release.

The pro forma financial information has been prepared as if the following had occurred prior to 1 January 2021:

- the acquisition and restructuring transactions undertaken to form the Group;
- the 29Metals IPO; and
- the repayment or reduction of certain Capricorn Copper and Golden Grove liabilities out of IPO proceeds.

Further information regarding the preparation of pro forma financial information is set out in the 2021 Financial Results.

For presentation purposes, the pro forma financial results are compared to the PPF.

Summary pro forma results

	UNITS	2021 RESULT ¹	2021 PPF ²	VARIANCE
Pro forma Revenue ³	\$'000	709,597	665,330	44,267
Pro forma Cost of sales	\$'000	(561,303)	(550,211)	(11,092)
Pro forma Gross Profit	\$'000	148,294	115,119	33,175
Pro forma EBITDA ⁴	\$'000	254,066	220,988	33,078
<i>Golden Grove</i>	\$'000	163,413	170,431	(7,018)
<i>Capricorn Copper</i>	\$'000	109,906	70,384	39,522
<i>Exploration, Corporate & Other</i>	\$'000	(19,254)	(19,827)	573
Pro forma NPAT	\$'000	34,336	36,524	(2,188)
Cu-eq ⁴ production	kt	68.2	67.4	0.8
% copper sales ⁵	%	65%	50%	15%
Average realised copper price	US\$/lb sold	9,305	9,442	(137)
C1 Costs ⁴	US\$/lb	2.12	NA	NA
AISC ⁴	US\$/lb	3.41	NA	NA

1. *2021 Result* is the result for the year ended 31 December 2021 on a pro forma basis (refer above).
2. *2021 PPF* is pro forma forecast financial information set out in section 5.9 of the 29Metals Prospectus.
3. Revenue comprises revenue for all mineral concentrate sales, inclusive of final shipment invoice and QP adjustments, and after TCRCs.
4. *EBITDA*, *Cu-eq*, *C1 Costs* and *AISC* are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information metrics in this release.
5. *% Copper sales* is gross copper sales proceeds (before final invoice and QP adjustments, and TCRCs), divided by the sum of gross sales proceeds for copper, zinc, gold, silver and lead (before final invoice and quotational period adjustments, and TCRCs)

Pro forma revenue of \$709.6 million for 2021 was \$44.3 million, or 7%, higher than the PPF, reflecting higher copper production for the year and higher realised commodity prices relative to the commodity price assumptions for the PPF. Pro forma revenue was partly offset by lower than forecast by-product metal production, reflecting the rescheduling of the stope sequence at Golden Grove (announced in the September 2021 quarterly report).

Gross copper sales represented 65% of group gross sales, a 15% increase on 2020, reflecting a combination of increased copper production from Capricorn Copper and a higher proportion of copper revenue at Golden Grove in 2021, relative to 2020.

Pro forma cost of sales of \$561.3 million for 2021 was \$11.1 million, or 2%, higher than PPF, reflecting higher mining costs as a result of cost and labour market pressures, particularly in the second half, including the continuing impact of COVID-19 related border restrictions, partly offset by stockpile movements. Stockpile movements reflect a combination of timing differences between production and sales and a build-up in stockpile balances as a result of tailings-related throughput constraints in 2021.

Higher pro forma revenue, partly offset by increased pro forma cost of goods sold, resulted in pro forma gross profit of \$148.3 million and pro forma EBITDA of \$254.0 million, 29% and 15% higher than PPF, respectively.

Pro forma NPAT for 2021 was \$34.3 million, \$2.2 million, or 6%, lower than PPF, and included the impact of unrealised foreign exchange losses and losses on derivative financial instruments.

2022 Guidance – financial metrics⁶

29Metals provides the following financial metrics guidance for 2022. 29Metals guidance is subject to market and operating conditions.

Refer to 29Metals' December 2021 quarterly report⁷ for guidance provided in relation to production physicals, operating costs and capital.

FINANCIAL METRIC	UNIT	2021 ¹	2022	COMMENTARY
Depreciation & Amortisation²	\$m	100	135 – 155	<ul style="list-style-type: none"> Reflects inclusion of a full year of Capricorn Copper results in FY2022 and acquisition accounting
<i>Mine Properties & Mineral Rights</i>	\$m	53	80 - 90	<ul style="list-style-type: none"> Mine development amortisation on units of production ('UOP') basis over estimated useful life Increase in mineral rights amortisation primarily relates to Capricorn Copper acquisition accounting, amortised on a UOP basis over estimated LOM
<i>PPE</i>	\$m	20	25 - 30	<ul style="list-style-type: none"> Plant & Machinery depreciated on a UOP or straight-line basis over 3 – 5 years Buildings depreciated on a reducing balance or straight-line basis over 10 years
<i>AASB16 Leasing⁸</i>	\$m	27	30 - 35	<ul style="list-style-type: none"> Depreciation of 'right of use' lease assets Primarily resulting from underground mining contracts Lease assets depreciated over a 2 – 5 years period Subject to contract variations, including changes in scope and extensions
Tax Paid	\$m	23	0	<ul style="list-style-type: none"> Reflects reset of the Group tax cost base resulting from the formation of the 29Metals tax consolidated group No 2022 income tax payable expected on a full year basis

1. 2021 results cited are statutory results for the year ended 31 December 2021.

2. Refer to Consolidated Financial Statements (included in the 2021 Financial Results) for information regarding 29Metals' accounting policies for depreciation and amortisation.

IMPORTANT INFORMATION REGARDING 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. 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, and 29Metals does not give any assurance that the assumptions will prove to be correct.

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.

⁶ Refer to important information on page 6 of this release regarding forward looking information.

⁷ 29Metals' December 2021 quarterly report was released to ASX on 24 January 2022.

⁸ Depreciation costs of lease assets recognised under AASB16 are included in C1 Costs and AISC, reported by 29Metals in its quarterly reports. C1 Costs and AISC are non-IFRS financial information metrics. Refer to the important information on page 2 regarding the use of non-IFRS financial information metrics in this release.

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

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Stock Exchange Listing

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Issued Share Capital

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

Appendix – Non-IFRS financial information

Non-IFRS financial information metrics

METRIC	DEFINITION
Adjusted EPS	is adjusted earnings per share, and is calculated as Adjusted NPAT divided by the weighted average number of ordinary shares outstanding for the period.
Adjusted NPAT	<p>is net profit after tax attributable to members, adjusted for non-recurring items including transaction costs in relation to the Restructure and IPO Transactions, income tax benefits in relation to the formation of the 29Metals tax consolidate group and accounting impacts for first-time adoption of IFRS accounting standards by Golden Grove, LP.</p> <p>A reconciliation of Adjusted NPAT to NPAT is set out below.</p>
AISC	<p>is <i>all-in sustaining costs</i>, and is calculated as C1 Costs plus royalties cost, corporate costs, sustaining capital and capitalised development costs, but excludes growth capital and exploration.</p> <p>AISC is cited per pound of payable copper sold and in \$ million terms. 29Metals considers AISC to be a useful measure of the full cost of copper production taking into account site costs, the cost of sustaining its operations and other administrative costs.</p>
C1 Costs	<p>is mining costs, processing costs, maintenance costs, site general & administrative costs, realisation costs including shipping and logistics costs), and treatment and refining charges, adjusted for stockpile movements and net of by-product credits (non-copper metal related).</p> <p>C1 Costs is cited per pound of payable copper sold and in \$ million terms. 29Metals considers C1 Costs to be a useful measure of the marginal cost of copper production from its operating sites.</p>
Cu-eq	<p>is <i>copper equivalent contained metal</i>. Cu-eq converts zinc, gold, silver and lead metal produced (contained metal-in-concentrate) to copper equivalent metal on an economic basis. Cu-eq is calculated by applying metal prices and actual or assumed metallurgical recovery.</p> <p>Cu-eq calculations do not apply adjustments for payability or selling costs which differs between metals and between operating sites.</p> <p>Cu-eq metrics cited in this report apply the following commodity price and metallurgical recovery assumptions:</p> <ul style="list-style-type: none"> 2021 PFF 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 metallurgical recovery assumptions set out in the technical reports in the 29Metals Prospectus. 2021 Actual Cu-eq production applies actual average metals prices (Source: FactSet) for the period on a quarterly basis and actual metallurgical recovery. Actual quarterly average prices are; <ul style="list-style-type: none"> Cu: Q1-21 US\$8,490/t, Q2-21: US\$9,682/t, Q3-21: US\$9,365/t, Q4-21: US\$9,685/t Au: Q1-21 US\$1,794/oz, Q2-21: US\$1,815/oz, Q3-21: US\$1,789/oz, Q4-21: US\$1,795/oz Zn: Q1-21 US\$2,749/t, Q2-21: US\$2,913/t, Q3-21: US\$2,991/t, Q4-21: US\$3,365/t Ag: Q1-21 US\$26.3/oz, Q2-21: US\$26.6/oz, Q3-21: US\$24.3/oz, Q4-21: US\$23.3/oz Lb: Q1-21 US\$2,017/t, Q2-21: US\$2,123/t, Q3-21: US\$2,338/t, Q4-21: US\$2,327/t
Drawn Debt	is amounts drawn under Group debt facilities, as reported in the 2021 Financial Results, and excluding bank guarantees issued under the Group bank guarantee facility.
EBITDA	<p>is <i>earnings before finance income, finance costs, any unrealised foreign exchange gains or losses, any realised and unrealised gains or losses on derivative financial instruments, income tax expense and depreciation and amortisation</i>. 29Metals considers that EBITDA is useful to help evaluate the underlying financial performance of the business without the impact of gains and losses on forward commodity contracts (copper) and swaps (gold), non-cash charges for D&A, and unrealised foreign exchange gain or losses.</p> <p>EBITDA also excludes finance income, finance costs and tax charges which are significantly affected by the capital structure and historical tax position.</p> <p>A reconciliation of EBITDA to NPAT is set out below.</p>
Net Drawn Debt	is <i>Drawn Debt, less cash and cash equivalents</i> excluding cash held as rental security deposit and EMR Capital IPO proceeds retained by 29Metals under cash backed indemnity arrangements described in section 10.6.12.3 of the 29Metals Prospectus. 29Metals uses this measure to understand its overall credit position. Investors should be aware that cash and cash equivalents may be required for purposes other than debt reduction.
Adjusted NPAT	<p>is net profit after tax attributable to members, adjusted for non-recurring items including transaction costs in relation to the Restructure and IPO Transactions, income tax benefits in relation to the reverse acquisition and accounting impacts for first-time adoption of IFRS accounting standards by Golden Grove, LP.</p> <p>A reconciliation of Adjusted NPAT to NPAT is set out below.</p>

Reconciliation of non-IFRS financial information metrics

A reconciliation of NPAT to Adjusted NPAT is tabled below.

		2021	2020	VAR
NPAT	\$'000	121,013	0	121,013
Add: Transaction costs (post-tax)	\$'000	39,216	0	39,216
Less: Income tax benefit associated with the IPO transactions	\$'000	(119,388)	0	(119,388)
Add: Increase in net assets attributable to the Partners in Golden Grove, LP	\$'000	14,955	82,716	(67,761)
Adjusted NPAT	\$'000	55,796	82,716	(26,920)

A reconciliation of NPAT to EBITDA is tabled below.

		2021	2020	VAR
NPAT	\$'000	121,013	0	121,013
Less: Income tax (expense)/benefit	\$'000	(103,236)	34,514	(137,750)
Add: Net finance costs	\$'000	30,262	100,661	(70,399)
Add: Depreciation and amortisation	\$'000	100,124	56,148	43,976
Add: Unrealised foreign exchange (gain)/loss	\$'000	17,993	(27,437)	45,430
Add: Net (gain)/loss on derivative financial instruments	\$'000	11,135	(8,359)	19,494
EBITDA	\$'000	177,291	155,527	21,764

A reconciliation of pro forma NPAT to pro forma EBITDA is tabled below.

PRO-FORMA NPAT TO EBITDA RECONCILIATION		2021	2020	VAR
NPAT	\$'000	34,336	36,524	(2,188)
Add: Income tax (expense)/benefit	\$'000	12,433	12,561	(128)
Add: Net finance costs	\$'000	16,665	11,574	5,091
Add: Depreciation and amortisation	\$'000	124,468	126,102	(1,634)
Add: Unrealised foreign exchange (gain)/loss	\$'000	17,692	1,703	15,989
Add: Net (gain)/loss on derivative financial instruments	\$'000	48,471	32,524	15,947
EBITDA	\$'000	254,066	220,988	33,078