ASX ANNOUNCEMENT
Thursday, 23 February 2023

Appendix 4E and Annual Financial Report

Accompanying this release is the Appendix 4E and Annual Financial Report for 29Metals Limited ('**29Metals**' or, the '**Company**') and its controlled entities for the year ended 31 December 2022.

-ENDS-

This announcement was authorised for release by the Company Secretary, Clifford Tuck.

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Metals

Appendix 4E and Annual Financial Report
29Metals Limited and its Controlled Entities

for the year ended 31 December 2022

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Appendix 4E

29Metals Limited

Financial year ended 31 December 2022

Current Reporting Period	12 months ended 31 December 2022
Previous Corresponding Reporting Period	12 months ended 31 December 2021

Results for announcement to the market

	31 December 2022	31 December 2021	Increase / (Decrease)	
	$'000	$'000	$'000	%
Revenue from ordinary activities	720,688	600,762	119,926	20%
(Loss) / Profit from ordinary activities after tax attributable to members	(47,222)	121,013	(168,235)	(139%)
Net (loss)/profit for the period attributable to members	(47,222)	121,013	(168,235)	(139%)

Distributions

Dividends paid or declared by the Company to members since the end of the previous financial year were:

Declared and paid during the year ended 31 December 2022	Cents per share	Total amount $'000	Date of payment
2022 interim dividend, fully franked	2	9,627	14 October 2022

The Record date for the interim dividend was 16 September 2022.

There is no final dividend declared or proposed.

Net tangible assets

	31 December 2022	31 December 2021
	$	$
Net tangible assets per share[1]	1.49	1.60

1. Includes *right of use* assets.

Explanation of results

Requirement	Title	Reference
Review of results	Operating and Financial Overview	13
Statement of comprehensive income	Consolidated Statement of Comprehensive Income	64
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Appendix 4E

Details of entities over which control has been gained or lost during the period

There were no entities over which control has been gained or lost during the period.

Details of any associates and joint venture entities

There were no associates or joint ventures during the period.

Any other significant information needed by an investor

Further significant information needed by an investor to make an informed assessment of the Group's financial performance and financial position is contained in the accompanying Annual Financial Report, which comprises the Directors' Report and the Consolidated Financial Statements for the year ended 31 December 2022.

Audit of accounts upon which this report is based and qualification of audit

The Consolidated Financial Statements and Remuneration Report have been audited by Ernst & Young Australia. The audit report is included in the Annual Financial Report, and is not subject to a modified opinion, emphasis of matter, or other matter paragraph.

Directors' report

The Directors present their report, together with the Consolidated Financial Statements of 29Metals Limited ('**29Metals**' or, the '**Company**') and its controlled entities (together, the '**Group**'), for the year ended 31 December 2022 ('**FY2022**' or, the '**Reporting Period**').

Corporate Information

29Metals was incorporated on 27 May 2021 and is a *for-profit* company limited by shares that is incorporated and domiciled in Australia.

Directors

The names and details of the Directors of the Company in office during the Reporting Period and since the end of the Reporting Period are as follows.

Name	Position	Appointed
Owen Hegarty OAM	*Non-executive Director, Chair of Board of Directors*	27 May 2021
Peter Albert	*Managing Director & Chief Executive Officer*	27 May 2021
Fiona Robertson	*Non-executive Director*	27 May 2021
Jacqueline McGill AO	*Non-executive Director*	27 May 2021
Martin Alciaturi	*Non-executive Director*	27 May 2021

Nature of Operations and Principal Activities

During FY2022 the nature of operations and principal activities of 29Metals and its controlled entities were mining and mineral production, mineral concentrate sales and mineral exploration.

For additional information on the activities of the Group, refer to the Operating and Financial Review.

Consolidated Result

The statutory financial information reflects:

- the 29Metals Group for the year ended 31 December 2022; and
- for the year ended 31 December 2021 (i.e., the prior period):
  - the Golden Grove group ('**GGLP Group'**) (comprising Golden Grove, LP (as the head entity) ('**GGLP**'), Golden Grove Holdings (No.2) Pty Ltd, Golden Grove Holdings (No.3) Pty Ltd and Golden Grove Operations Pty Ltd, as set out in Note 30 to the Consolidated Financial Statements) for the six months ended 30 June 2021; and
  - the Group for the six months ended 31 December 2021

(the '**Statutory'** financial information). Refer to Note 2 of the Consolidated Financial Statements for further information.

The net loss after tax attributable to 29Metals shareholders for FY2022 was $47,222 thousand (2021: net profit after tax of $121,013 thousand).

Operating and Financial Review

The Operating and Financial Review for FY2022 commences from page 13 of this document and contains further information on the activities and results of the Group during the Reporting Period. The Operating and Financial Review forms part of this Directors' Report.

Dividends

Paid during the year

Dividends paid or declared by the Company to members since the end of the previous financial year were as follows.

Declared and paid during the year ended 31 December 2022	Cents per share	Total amount $'000	Date of payment
2022 interim dividend, fully franked	2	9,627	14 October 2022

Declared after end of year

The Directors resolved not to pay a final dividend with respect to the year ended 31 December 2022.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the year ended 31 December 2022.

Other

Deed of Cross Guarantee

On 30 November 2021, the Company and each of its Australian-registered wholly owned subsidiaries entered into a Deed of Cross Guarantee (the '**Deed'**) in accordance with *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* (the '**ASIC Instrument'**). Under the ASIC Instrument, relevant Group entities obtain relief from certain accounting and financial reporting requirements. Refer to Note 32 to the Consolidated Financial Statements for further information in relation to the Deed.

Subsequent Events

Other than as disclosed in the environmental regulation and performance section (below), there have not been any events that have arisen in the interval between the end of the financial year and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.

Environmental Regulation and Performance

29Metals' operating and exploration activities are subject to environmental regulation in each jurisdiction in which those activities are undertaken, comprising Western Australia and Queensland, in Australia, and Chile (as applicable).

29Metals takes its responsibilities for environmental stewardship seriously and has management systems and processes in place for environmental management and performance. 29Metals' environmental performance is overseen by the Board's standing Sustainability Committee.

Environmental incidents are reported to management and the Board (directly, and via the Sustainability Committee).

Commencing with the Company's first Annual Report, published on 21 April 2022, the Company reports its sustainability performance in its *Annual Sustainability & ESG Report* which is published in the Company's Annual Report to shareholders in advance of the Annual General Meeting. A standalone version of the *Annual Sustainability & ESG Report*, incorporating additional data tables, is published on the Company's website at: https://www.29metals.com/sustainability. The Company's sustainability reporting is intended to be aligned to the *Global Reporting Initiative* reporting framework.

Reportable environmental incidents during the year ended 31 December 2022 are tabled below (by site).

Site	Reportable incidents [1]	Enforcement action [2]
Golden Grove (WA, Australia)	5	▪ Warning received in relation to one reportable incident ▪ Engagement with regulatory authorities regarding two reportable incidents remains ongoing
Capricorn Copper (Qld, Australia)	5 [3]	▪ Three warnings issued, with requirement to undertake certain corrective actions ▪ Subsequent to Reporting Period, a new *Environmental Protection Order* ('**EPO**') was issued (refer below)
Redhill (Chile)	0	

1. Reportable incidents excludes administrative notifications and periodic reporting
2. Enforcement action as result of notifiable incidents.
3. Includes a reportable incident relating to the pipe burst event involving a third-party water pipeline that traverses Capricorn Copper leases.

As reported in the prior period, the Queensland Department of Environment & Science ('**DES**') issued EPOs to Capricorn Copper in 2020 and 2021 in relation to, materially, the volume of water held on site in regulated water storage facilities (the Esperanza Pit (the '**EPit**') and the Mill Creek Dam (the '**MCD**')). Under the successive EPO's, 29Metals was required to reduce water levels in the EPit and the MCD to levels prescribed by the EPO, which levels corresponded to the prescribed *Design Storage Allowance* (or, '**DSA**') for the relevant structures, by 1 November 2022.

During the period of the consecutive EPOs, 29Metals successfully reduced the water levels significantly, including reducing water levels in the MCD to within the prescribed requirement before 1 November 2022. However, while water levels in the EPit were reduced significantly, at 1 November 2022 the water levels in the EPit were above the prescribed level.[1] 29Metals received a notice of potential non-compliance regarding this matter and remains engaged with the DES.

...

[1] Consequently, water levels in the EPit also exceeded the prescribed DSA as at 1 November 2022.

In parallel, following detailed work to update the site water balance model, 29Metals has submitted an application to amend the environmental authority for Capricorn Copper, seeking to amend the DSA for the EPit to reflect the outcome of the updated water balance model. The environmental authority amendment process remains ongoing.

In the context of a forecast heavy wet season in North Queensland and the elevated water levels at Capricorn Copper, in January 2023 the DES issued a new EPO to Capricorn Copper. The new EPO covers the remainder of the current wet season (EPO expires on 1 May 2023) and requires Capricorn Copper to take certain steps to manage water levels in the EPit and the MCD, including a requirement to release treated water (as permitted by the environmental authority at Capricorn Copper, subject to water quality requirements) currently held on site.

There is currently substantial capacity remaining in the EPit and the MCD, following the significant reduction in water levels achieved by Capricorn Copper over the past two years. However, if there were to be a significant increase in water volumes on site, Capricorn Copper would be required under the EPO to cease drawing water from local water sources for mining and mineral processing operations (until water levels returned to appropriate levels).

Indemnification & Insurance of Directors and Officers

29Metals has entered into a deed of indemnity, insurance and access with each of its Directors and executives, pursuant to which:

- each Director and executive has rights of access to Company information;
- to the maximum extent permitted by law, the Company agrees to indemnify each Director and executive from and against all liability incurred by the Director or executive in the performance of their role as a Director or executive of the Company (and any subsidiary of the Company) on the terms set out in the deed; and
- to the extent permitted by law, requires the Company to use its reasonable endeavours to ensure that the Director or executive is insured under a directors and officers insurance policy throughout the duration of the Director or executive's appointment and after the Director or executive ceases to hold office for the later of a period of seven years or until after the date that any claim against the Director or executive that commenced during the seven-year period is finally resolved.

The Group maintains directors' and officers' liability insurance for the benefit of persons defined in the policy which include current and former directors and officers, including executives of the Company, and directors, senior executives and secretaries of its controlled entities to the extent permitted by the *Corporations Act 2001* (Cth). The terms of the insurance contract are highly commercially sensitive and prohibit disclosure of the premiums payable and other terms of the policy.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the end of the Reporting Period.

Information on Directors

The names and details of the Company's Directors in office since incorporation and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Owen Hegarty OAM, 74 BEc (Hons) FAusIMM FAICD ***Chair and Non-executive Director*** *Member of Nominations & Remuneration Committee* *Member of Sustainability Committee*	Owen has more than 40 years' experience in the global mining industry with a career spanning executive and directorship roles across multiple mineral commodities and assets in Australia, Asia, Africa, Europe and the Americas. Owen co-founded and is Executive Chairman of EMR Capital, a specialist resources private equity manager with deep operational, investment, sustainability and ESG management expertise applied across the EMR investment portfolio companies. Owen was formerly the Managing Director and Chief Executive Officer of ASX-listed Oxiana Limited, leading the company to its merger with Zinifex Limited in 2008 to form ASX-listed OZ Minerals Limited (ASX: OZL). Prior to Oxiana, Owen's career included 25 years with the Rio Tinto Group, including as Managing Director of Rio Tinto Asia and Rio Tinto's Australian copper and gold business. Owen currently serves as a director on a number of EMR Capital portfolio companies. Owen's previous non-executive directorship roles include ASX listed Fortescue Metals Group Limited (ASX: FMG) and Highfield Resources Limited (ASX: HFR), and Hong Kong listed G-Resources Limited and CST Mining. Owen has served and continues to serve on a number of government and industry mining advisory bodies and is the recipient of a number of awards and citations in recognition of his achievements and service to the mining industry. Owen was included in the 2021 Queen's Birthday honours list being awarded the Medal of the Order of Australia recognising his services to the minerals and mining sector. Owen was appointed as a Director on 27 May 2021. **Special responsibilities:** Member of Sustainability Committee (formerly, the Health, Safety, Environment & Community Committee). Member of Remuneration & Nominations Committee. **Other listed directorships:** Tigers Realm Coal Limited (ASX: TIG) (2009 - current); Highfield Resources Limited (ASX: HFR) (2013-2019).

Directors' Report

Mr Peter Albert, 64 BSc (Minerals Engineering) (Hons) EMBA MAICD FAusIMM, MIOM3, Chartered Engineer ***Managing Director & Chief Executive Officer***	Peter is an experienced mining executive, with more than 35 years' experience in the mining industry across multiple commodities and spanning Australia, Asia, Africa and Europe. Peter's experience includes 25 years in CEO and executive roles for listed mining companies in Australia and Asia with significant experience in project management, development and operation of large-scale underground and open pit mining operations, sustainability and ESG performance, and corporate strategy. Prior to his appointment as 29Metals' Managing Director & Chief Executive Officer, Peter joined EMR Capital as the CEO of EMR Capital's copper portfolio in preparation for 29Metals' initial public offering and ASX-listing in 2021. Peter's earlier executive career included roles as CEO of ASX-listed Highfield Resources Limited (ASX: HFR), Jinchuan International and G-Resources Limited, and Executive General Manager – Asia for ASX-listed Oxiana Limited (later, OZ Minerals Limited). Peter also held previous roles with Fluor Australia, Shell-Billiton Australia, Davy John Brown and Johannesburg Consolidated Investments. Peter was appointed as a Director on 27 May 2021 and commenced his role as Managing Director & Chief Executive Officer with effect on and from 2 July 2021. **Special responsibilities***:* N/a. **Other listed directorships***:* Highfield Resources Limited (ASX: HFR) (2016-2020).
Ms Fiona Robertson, 67 MA (Oxon) Geology FAICD, MAusIMM ***Independent Non-executive Director*** *Chair of Audit, Governance & Risk Committee* *Member of Sustainability Committee*	Fiona has more than 40 years' experience as a finance executive and non-executive director, most of this spent within the resources sector. Fiona's senior and executive finance roles included serving as CFO of ASX-listed companies Petsec Energy Limited, Climax Mining Limited and Delta Gold Limited. Fiona's earlier career included credit risk management, corporate banking and resource financing roles with Chase AMP and Chase Manhattan Bank in Australia, New York and London. Fiona is currently an independent non-executive director of ASX-listed Bellevue Gold Limited (ASX: BGL) and Whitehaven Coal Limited (ASX: WHC), where Fiona also chairs the audit & risk Committee for both companies. Fiona also serves as a member of Whitehaven Coal's nomination and remuneration committee and previously served on its health, safety, environment and community committee, and serves on the nomination and remuneration committee and health, safety & sustainability committee for Bellevue Gold. Fiona was previously an independent non-executive director of ASX-listed Drillsearch Energy Limited (ASX: DLS) and ASX-listed Heron Resources Limited (ASX: HRR), where Fiona also held roles on board committees focussed on audit, risk, ESG, people, remuneration and nomination matters. Fiona's successful career in the mining industry, and contribution to the empowerment and encouragement of women developing careers within the mining industry was recognised in 2022 when Fiona received the NSW Mining Industry and Suppliers "Outstanding Contribution in Mining" award. In 2020 Fiona was named as one of "100 Global Inspirational Women in Mining" by Women in Mining UK. Fiona was appointed as a Director on 27 May 2021. **Special responsibilities:** Chair of Audit, Governance & Risk Committee. Member of Sustainability Committee (formerly, the Health, Safety, Environment & Community Committee). **Other listed directorships:** Bellevue Gold Limited (ASX: BGL) and Whitehaven Coal Limited (ASX: WHC).
Ms Jacqueline 'Jacqui' McGill AO, 55 BSc, MBA GAICD, FAusIMM ***Independent Non-executive Director*** *Chair of Sustainability Committee* *Member of Audit, Governance & Risk Committee* *Member of Remuneration & Nominations Committee*	Jacqui has more than 30 years' experience in the mining sector, including in executive and senior leadership roles spanning operations, business development, technology and project management across copper, iron ore and energy, where Jacqui developed extensive experience in managing financial performance, risk management and sustainability. Jacqui's executive career includes 16 years with BHP where Jacqui held roles as President Olympic Dam and President BHP-Mitsui Coal, as well as other senior leadership roles in BHP's copper, uranium and iron ore divisions. Jacqui is currently an independent non-executive director of ASX-listed New Hope Corporation Limited (ASX: NHC) and Johannesburg-listed Gold Fields Limited (JSE: GFI). At New Hope Corporation Jacqui chairs the sustainability and people committee and serves as a member of the audit and risk and nomination committees and chair of the human resources and remuneration committee. At Goldfields Jacqui is chair of the social, ethics and transformation committee and serves as a member of a number of the board's other standing committees. Jacqui is also a non-executive director of the Royal Automobile Association of South Australia and the Adelaide Festival Centre. Jacqui was included in the 2020 Australia Day honours list recognising her services to the resources sector, and diversity and inclusion. Jacqui was appointed as a Director on 27 May 2021.

	Special responsibilities: Chair of Sustainability Committee (formerly, the Health, Safety, Environment & Community Committee). Member of Audit, Governance & Risk Committee. Member of Remuneration & Nominations Committee. **Other listed directorships:** New Hope Corporation Limited (ASX: NHC) (2020 – current); Gold Fields Limited (JSX: GFI; NYSE: GFI) (2021 – current).
Mr Martin Alciaturi, 61 BSc (Eng) (Hons) Grad Dip (Applied Finance) FCA MAICD ***Independent Non-executive Director*** *Chair or Remuneration & Nominations Committee* *Member of Audit, Governance & Risk Committee*	Martin is an experienced finance professional with combined experience of more than 40 years in investment banking and corporate finance, and as a mining executive. Martin is currently the executive Finance Director for Sierra-Rutile Holdings Limited (ASX: SRX), a minerals sands mining company that listed on the ASX on 25 July 2022 following a de-merger from ASX-listed Iluka Resources. Martin also serves as a member of Sierra Rutile Holdings' sustainability and social accountability committee. Previously Martin spent 11 years as chief financial officer and executive director with Aquila Resources Limited (ASX: AQA, delisted 2014), where Martin's responsibilities included strategy, business development, investor relations, finance and administration. Prior to Aquila, Martin spent 30 years in investment banking and corporate finance, including as Head of Corporate Finance at Macquarie Capital in Perth, Partner-in-charge for Corporate Finance at EY in Perth (including head of the EY natural resources team), and as an executive director with Poynton Corporate. Martin has also served as a member of the Australian Government's Takeovers Panel between 2006 and 2015. Martin was appointed as a Director on 27 May 2021. **Special responsibilities:** Chair of Remuneration & Nominations Committee. Member of Audit, Governance & Risk Committee. **Other listed directorships:** Sierra Rutile Holdings Limited (ASX: SRX) (executive director).

Information on Company Secretary

Mr Clifford Tuck

LLB (Hons), BScApp (Hons)

FGIA MAICD

Chief Governance & Legal Officer

Clifford was appointed Company Secretary on 27 May 2021, and General Counsel & Company Secretary with effect on and from 2 July 2021. In this role, Clifford's executive responsibilities included the role of Company Secretary, governance, Group legal, and Group risk and insurance. In February 2022, Clifford's executive accountabilities were expanded to include Sustainability & ESG, and his title was changed to Chief Governance & Legal Officer.

Clifford is a legal and governance professional with more than 20 years' experience, principally in the resources sector. Prior roles include working as an adviser to ASX-listed and private equity clients in relation to corporate transactions, governance and ESG matters, General Counsel & Company Secretary (consultant) for Lattice Energy Limited (the proposed IPO vehicle for the upstream oil & gas assets of ASX-listed Origin Energy Limited (2017)), General Counsel & Company Secretary of formerly ASX-listed Drillsearch Energy Limited (2014-2016) and various in-house roles with ASX-listed Newcrest Mining Limited (2005-2014), including Acting General Counsel and Deputy General Counsel (2011-2014).

Clifford commenced his professional career with national law firm Allens (2001-2005).

Clifford was also formerly a non-executive director of ASX-listed Aurelia Metals Limited (ASX: AMI) where he also served as a member of the audit committee.

Directors' Meetings

The number of meetings of the Board and each of the Board's standing Committees held during 2022, and director attendance at those meetings, is set out below.

	Board		Audit, Governance & Risk Committee		Sustainability Committee[1]		Remuneration & Nominations Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Owen Hegarty OAM	4	3	7	7[2]	2	1	3	3
Peter Albert	4	4	7	7[2]	2	2[2]	3	3[2]
Fiona Robertson	4	4	7	7	2	2	3	3[2]
Jacqui McGill AO	4	4	7	6	2	2	3	3
Martin Alciaturi	4	3	7	7	2	2[2]	3	3

1. Formerly, the Health, Safety, Environment & Community Committee.
2. Attended meeting as an invitee. All Directors have a standing invitation to attend meetings of all Committees.

In addition to formal meetings of the Board and Committees, outlined in the table above, during the Reporting Period, each of the Directors was invited to attend monthly briefing sessions with the Management teams of Golden Grove and Capricorn Copper. These meetings provide the Directors with direct access and engagement with senior leaders at the Company's operating sites. In the aggregate, 20 monthly asset briefings were held during the Reporting period. With limited exceptions, all Directors attended each of the monthly briefing sessions.

Director Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the Directors in the 29Metals shares and performance rights were:

	Number of shares	Number of options	Number of performance rights
Owen Hegarty OAM	50,000	-	-
Peter Albert	287,500 [1]	-	533,893 [2]
Martin Alciaturi	29,736 [3]	-	-
Jacqui McGill AO	47,236 [3]	-	-
Fiona Robertson	37,236 [3]	-	-
Total	451,708	-	533,893

1. Includes 200,000 Restricted Shares awarded to Mr Albert in connection with the IPO. Restricted Shares awarded to Mr Albert had an issue price of $2.00 per share are a subject to a two-year holding lock. Refer to the Remuneration Report for further information.
2. Performance rights held by Mr Albert excludes the proposed award of 145,304 performance rights to Mr Albert under the 2022 STI (which award is subject to shareholder approval to be sought at the Company's 2023 AGM). Refer to the Remuneration Report included in this Director's Report for further information regarding the proposed award of performance rights to Mr Albert under the 2022 STI.
3. Includes shares issued to eligible Non-executive Directors under the NED Salary Sacrifice Share plan during the Reporting Period. Refer to the Remuneration Report included in this Director's Report for further information regarding the NED Salary Sacrifice Share Plan and shares issued to participating NEDs during the Reporting Period.

Shares Under Performance Rights

There are 3,626,414 unvested performance rights on issue at the date of this report.

A total of 491,678 [2] performance rights lapsed unvested during the financial year and up to the date of this report. Refer to Note 35 to the Consolidated Financial Statements for further information regarding the movement in performance rights during the year and the performance rights at year end.

Shares Issued on the Exercise of Options

There are currently no options on issue and no shares were issued on the exercise of options during the Reporting Period and up to the date of this report (2021: Nil).

...

[2] The number of unvested performance rights lapsed unvested cited, includes:

- 41,323 unvested performance rights in respect of which the performance condition(s) was not met prior to year-end, which performance rights will be lapsed shortly following the date of this report; and
- 140,538 unvested performance rights which were lapsed after 1 January 2022 as a result of a failure to satisfy the performance condition(s) on or before 31 December 2021.

Shares Issued on the Vesting of Performance Rights

864,391 performance rights vested during the year and up to the date of this report, resulting in the issue of 864,391 fully paid ordinary shares. No amount was paid on the vesting of performance rights and issue of shares and no amount remains unpaid on the shares.

Further details regarding shares issued and performance rights awarded to Key Management Personnel ('**KMP**') during the year is provided in the Remuneration Report.

Non-Audit Services

During the Reporting Period, non-audit services were provided by the Group's auditor, Ernst & Young Australia, relating to tax governance matters. The directors have considered the non-audit services provided during the year by Ernst & Young Australia and in accordance with written advice provided by resolution of the Audit, Governance & Risk Committee and are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth), for the following reasons:

- all non-audit services were subject to review by the Committee to ensure they were not considered to be material, did not impact the integrity and objectivity, or independence of EY which included obtaining relevant confirmations from EY; and
- none of the services undermined the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*. These include reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for 29Metals or its controlled entities, acting as advocate for the Company or jointly sharing economic risk and rewards.

Ernst & Young Australia received or are due to receive the following amounts for the provision of non-audit services:

	2022
	$
Tax governance services	23,500

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Corporate Governance

The Board of 29Metals has ultimate responsibility for the management of 29Metals' business, including ensuring that appropriate governance arrangements are in place. The Board has created a framework for managing the Company, including adopting corporate governance policies and processes, and systems and processes of internal controls and risk management, that the Board considers appropriate for the Company's business and that are designed to promote the responsible management and conduct of the Company.

29Metals' corporate governance framework has been developed having regard to the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. Annually, 29Metals publishes a corporate governance statement that sets out the extent to which the Company has followed these recommendations for the relevant reporting period.

29Metals will publish its 2022 corporate governance statement and Appendix 4G in April 2023. A copy of 29Metals' corporate governance statement will be made available on the 29Metals website. 29Metals' 2021 corporate governance statement was released to the ASX announcements platform on 21 April 2022 and is available on 29Metals' website at https://www.29metals.com/investors/asx-announcements.

Further information regarding 29Metals' corporate governance framework, including copies of the charters of the Board and each of its Committees, and key corporate governance policies, is also available on the 29Metals website at https://www.29metals.com/about/corporate-governance.

Likely Developments

The Operating and Financial Review on pages 13-36 of this document sets out information on the Group's business strategies and likely developments.

Other than the information set out in the Operating and Financial Review, further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Rounding of Amounts

29Metals is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, in accordance with that Instrument, amounts in the Directors' Report and the Annual Financial Report are rounded to the nearest thousand dollars except where otherwise stated.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for FY2022.

Remuneration Report

The Remuneration Report is set out on pages 38-62 of this document and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors on 23 February 2023.

Owen Hegarty OAM

Chair of the Board the Directors
Non-executive Director

Fiona Robertson

Chair of the Audit, Governance & Risk Committee
Independent Non-executive Director

Auditor's Independence Declaration

Building a better working world

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Auditor's independence declaration to the directors of 29Metals Limited

As lead auditor for the audit of 29Metals Limited for the financial year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
2. no contraventions of any applicable code of professional conduct in relation to the audit; and
3. no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of 29Metals Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Fiona Drummond
Partner

23 February 2023

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Operating and Financial Review

This is the Operating and Financial Review for the Group for the year ended 31 December 2022.

The nature of operations and principal activities of 29Metals and its controlled entities are mining and mineral production, mineral concentrate sales, and mineral exploration and development. 29Metals' business activities comprise two producing long-life mines located in Western Australia (Golden Grove) and Queensland (Capricorn Copper), and near-mine and regional exploration activities, including the Redhill exploration project located in southern Chile.

Restructure & IPO Transactions

29Metals was incorporated on 27 May 2021. In June and July 2021, 29Metals executed a series of transactions and an initial public offering (the '**IPO**'), comprising:

- a restructure of the Capricorn Copper Group (the '**Restructure**'), pursuant to which 29Metals gained control of the Capricorn Copper Group, effective 7 June 2021;
- GGLP Group's reverse acquisition of 29Metals (including the Capricorn Copper Group) and the Redhill Group which completed on 5 July 2021 conditional on, amongst other things, the IPO occurring (the '**Reverse Acquisition**'); and
- the IPO with listing on the ASX achieved on 2 July 2021,

(together, the '**Restructure and IPO Transactions**').

Note: Statutory results for the prior period reflect:

- the results of the GGLP Group for the period 1 January 2021 to completion of the 29Metals IPO on 2 July 2021; and
- the results of the Group for the period post completion of the IPO to 31 December 2021.

To provide additional insights to investors regarding the performance of the Group in the prior period, this Operating and Financial Review also includes Pro forma[3] results for the Group for the year ended 31 December 2021, prepared as if the Restructure and IPO Transactions had occurred prior to 1 January 2021.

Information regarding the basis of preparation of the Pro forma financial information for the prior period is set out on pages 15-16.

OPERATIONAL RESULTS

Safely Delivered Improved Production Performance

- Continuing improvement in safety performance, with the Group total recordable injury frequency rate ('**TRIFR**') improving in every quarter in 2022, reducing to 9.8/mwhrs[4] (2021: 12.0/mwhrs) at the end of the Reporting Period.
- Copper equivalent contained metal ('**Cu-eq**') production of 73.4kt, exceeding Statutory Cu-eq production for the prior period by 27% and Pro forma Cu-eq for the prior period by 8%. [5]
- Copper production was largely in line with the prior period on a Pro forma basis, with the increase in Cu-eq production reflecting a 21% increase in Golden Grove zinc production, resulting from mining and processing of high-grade ore sources in the second half, partly offset by lower precious metal production, reflecting mining of higher precious metal grade ore sources in the prior period.
- While Cu-eq production increased year-on-year, performance was below plan as a result of:
  — the continuing direct and indirect impact of COVID-19 (particularly during the first half);
  — labour market pressures; and
  — inflation (particularly in the second half).

  The combination of these factors had a material impact on development activity, with 29Metals adjusting its operating plans to prioritise production activity over development. These changes resulted in a higher contribution of ore tonnes from lower-grade remnant areas and a deficit in development metres achieved during the Reporting Period.
- Group total site costs and capital outcomes for the year reflect the impacts of labour market conditions, supply chain pressures and inflationary challenges experienced by the sector during the Reporting Period

[3] *Pro forma* financial information is non-IFRS financial information. Refer to important information on page 17 regarding the use of non-IFRS financial information in this report.

[4] *TRIFR* is reported on a 12-month rolling average basis, reported per million work hours ('**mwhrs**').

[5] *Cu-eq*, *C1 Costs*, *Site Operating Costs*, *EBITDA*, and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics in this report.

Continued Progress Against Our Strategic Priorities

- Continued investment in operational de-risking projects to support future production during the Reporting Period, including:
  - at Golden Grove, commissioning of the paste plant and associated underground reticulation infrastructure, commissioning of an additional surface cooling plant, and progressing various underground ventilation upgrades and supporting infrastructure for the high-grade Xantho Extended ('**XE**') orebody;
  - at Capricorn Copper, completion of a new ventilation shaft to surface at Esperanza South ('**ESS**') and environmental management projects, including the installation of new high-efficiency mechanical evaporators to reduce the volume of water stored on site; and
  - at both operating sites, works associated with the planning, approvals process and construction of tailings capacity expansions, which activity continued post the Reporting Period.
- 29Metals also progressed work on its portfolio of organic growth opportunities, including:
  - continued testing of in-mine/near-mine organic growth opportunities at Golden Grove and Capricorn Copper;
  - regional exploration at Capricorn Copper and 29Metals' first field campaign at Redhill;
  - completion of the Gossan Valley feasibility studies (the '**GV Studies**') and the prefeasibility study for Cervantes (the '**Cervantes PFS**'), extending Golden Grove's history of organic growth potential, and confirming the technical viability of each project with both Gossan Valley and Cervantes retaining significant further upside potential; [6] and
  - commenced studies to evaluate the cobalt opportunity at Capricorn Copper, including flotation test work and deportment studies.
- Extended 29Metal's track record of exploration success, reporting increases in Mineral Resources and Ore Reserves estimates at 31 December 2022, including:
  - increasing Mineral Resources by 4.5Mt to 127.9Mt (2021: 123.4Mt) after depletion from production; and
  - increasing in Ore Reserves by 4.8Mt to 30.1Mt (2021: 25.3Mt) after depletion from production. [7]
- Released 29Metals' first sustainability and ESG report (the '**Sustainability & ESG Report**') during the Reporting Period, which reported on the Group sustainability and ESG performance, outlined 29Metals' priorities for 2022, and 29Metals' roadmap to reporting aligned with the Taskforce on Climate-related Financial Disclosures ('**TCFD**') recommendations. [8]

FINANCIAL RESULTS

Balance Sheet Strength, Despite Industry-Wide Challenges

- US dollar average metal prices for the Reporting Period were lower than the prior period for copper, silver and lead, whilst zinc was 16% higher. Australian dollar receipts were supported by a lower average Australian dollar exchange rate of 0.695, 8% lower than the prior period, increasing the Australia dollar value of US$ receipts.
- Total revenue of $720,688 thousand, net of quotational period ('**QP**') adjustments and treatment and refining charges ('**TCRCs**'), was $119,926 thousand higher than the prior period on a Statutory basis and $11,091 thousand higher on a Pro forma basis:
  - supported by higher zinc sales and higher A$ metal prices, partly offset by lower precious metal sales; and
  - partly offset by higher zinc treatment charges ('**TCs**'), including TC escalators linked to the zinc price, reflecting average zinc prices increasing 16% in US$ terms, relative to the prior period.
- Copper metal sales represented 59.4% of total revenues for the Reporting Period, a decline on the prior period Pro forma result of 64.5%, as a result of higher zinc sales and higher prevailing zinc prices during the Reporting Period. [9]
- Site Operating Costs [10] increased during the Reporting Period to $475,294 thousand, a 14% increase relative to the Pro forma result for the prior period, as a result of:
  - higher activity, including a 5% increase in ore milled;

...

[6] Refer to '*Golden Grove Studies'* released to the ASX announcements platform on 11 November 2022 for further details of the GV Studies and Cervantes PFS (a copy of which is available on 29Metals' website at: https://www.29metals.com/investors/asx-announcements).

[7] Refer to '*31 December 2022 Mineral Resources and Ore Reserves Estimates'* released to the ASX announcements platform on 23 February 2023 (a copy of which is available on 29Metals' website at: https://www.29metals.com/investors/asx-announcements).

[8] A standalone version of 29Metals' 2021 Sustainability & ESG Report, including additional GRI reporting tables, is available on 29Metals' website at: https://www.29metals.com/investors/reports-presentations.

[9] Proportion of copper metal sales measured as copper revenues excluding unrealised QP gains/(losses) and TCRCs, divided by total revenue excluding unrealised QP gains/(losses) and TCRCs.

[10] *Site Operating Costs* are a non-IFRS financial information metric. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics in this report.

- — additional costs to secure labour and cover the impacts of COVID-19 and absenteeism, particularly in the first half; and
- — cost inflation, particularly in the second half.

- EBITDA [11] of $151,579 thousand was $25,712 thousand lower than the prior period on a Statutory basis and $102,487 thousand lower on a Pro forma basis, reflecting higher costs in the Reporting Period.
- Cashflow from operations of $155,690 thousand was $80,592 thousand higher than the result for the prior period and included outflows of $27,588 thousand for the cash-settlement of hedges, comprising gold hedges ($48 thousand) and copper hedges ($27,540 thousand).
  - — All remaining copper hedges were cash-settled during the Reporting Period, providing full exposure to copper prices going forward.
- NPAT was a loss of $47,222 thousand (2021: $121,013 thousand profit) for the Reporting Period with:
  - — higher sales more than offset by higher Site Operating Costs and TCRCs; and
  - — materially higher depreciation and amortisation ('**D&A**') of $189,399 thousand, an increase on the prior period result of $100,124 thousand on a Statutory basis and $124,468 thousand on a Pro forma basis.
- The increase in D&A during the Reporting Period reflects:
  - — changes to the mine plan implemented to mitigate absenteeism, resulting in mining of remnant areas with higher rates of depreciation relative to mining areas planned; and
  - — higher than expected utilisation of tailings capacity, including the impact of lower placement of backfill underground, resulting in higher depreciation rates; and
  - — accelerated depreciation of Golden Grove TSF assets at year-end.
- Net Drawn Debt [10] at 31 December 2022 of $26,397 thousand (31 December 2021: $3,499 thousand), including cash and cash equivalents of $171,962 thousand (31 December 2021: $197,472 thousand).
- 29Metals' first dividend was announced and paid during the Reporting Period, an interim dividend of $0.02 per share (fully franked), for a total payment of $9,627 thousand.
- The Board remains committed to delivering sustainable returns to shareholders. However, in the context of the near-term challenges at our operations, including the reduced milling rates being applied in the March quarter previously reported, the Board has determined that there will be no final dividend at the full year.

OUTLOOK

- 29Metals' performance in 2023 and beyond will be influenced by a number of key drivers – development rates (particularly at Golden Grove), continued investment in ventilation capacity, successfully navigating regulatory approval processes, costs management and capital discipline.
- These factors, discussed further below, are expected to impact production volumes and cashflows in the first half, particularly the March quarter.

Basis of Preparation [12]

The Consolidated Financial Statements is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards ('**AAS**') and other authoritative pronouncements of the Australian Accounting Standards Board ('**AASB**') and the *Corporations Act 2001* (Cth);
- complies with International Financial Reporting Standards ('**IFRS**') and interpretations adopted by the International Accounting Standards Board ('**IASB**');
- has been prepared on an historical cost basis except for certain financial instruments which have been measured at fair value through the profit or loss;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument* 2016/191;

...
[11] *EBITDA*, and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics in this report.
[12] Refer to Note 2 of the Group's Consolidated Financial Statements for the year ended 31 December 2022.

- adopts AAS and Interpretations that have been issued or amended and are effective from 1 January 2022. The adoption of AAS and Interpretations that have been issued or amended during the year did not have a significant impact on the financial report; and
- does not early adopt AAS and Interpretations that have been issued or amended and are not yet effective.

As set out further below, to assist readers to understand the operating and financial performance of the Group, certain Pro forma financial information [13] has been included in the operating and financial review in relation to the prior period.

Unless otherwise stated, all commentary in the Operating and Financial Review is made with reference to Statutory information.

Reverse acquisition – year ended 31 December 2021

29Metals was registered on 27 May 2021 and was admitted to the official list of ASX on 2 July 2021. 29Metals became the legal parent company of the Group on 2 July 2021 which is the date control was obtained over GGLP and its controlled entities comprising the GGLP Group.[14] This transaction was accounted for as a reverse acquisition.

GGLP, the head entity in the GGLP Group is a limited partnership registered in New South Wales under the *Partnership Act 1982* (NSW).

The implications of the reverse acquisition on each of the primary statements is as follows:

- The *Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows*

  For the 12 months ended 31 December 2021, these statements comprise:

  — the results of the GGLP Group for the six months to 30 June 2021; and
  — the Group results for the six months ended 31 December 2021.

  For the 12 months ended 31 December 2022, these statements comprise the Group results.

- The *Consolidated Statement of Financial Position*

  At 31 December 2021 represents the consolidated position of the Group.

  At 31 December 2022 represents the consolidated position of the Group.

Refer Note 34 to the Consolidated Financial Statements for further information regarding accounting for the reverse acquisition.

Pro forma financial information [15]

The comparative financial information for the prior period in this report includes certain Pro forma financial information for the year ended 31 December 2021. The Pro forma financial information has been prepared as if the Group had been formed prior to 1 January 2021, being the commencement of the prior period, including the occurrence of the following prior to 1 January 2021:

- the Restructure and IPO Transactions and repayment or reduction of certain Capricorn Copper and Golden Grove liabilities out of IPO proceeds;
- the Group had control of the GGLP Group, the Capricorn Copper Group and the Redhill Group of companies; and
- the Group incurred corporate and other administration costs consistent with being formed prior to 1 January 2021, but excluding the impact of costs associated with the Restructure and IPO Transactions.

Pro forma financial information is non-IFRS financial information and has not been audited. This information should be read in conjunction with, and not in replacement of, the Statutory financial information.

Refer to the important information below regarding the use of non-IFRS financial information in this report.

Segment Information

The Group has determined that it has three reportable segments: Golden Grove, Capricorn Copper and Exploration (which includes Redhill and regional exploration activities at Golden Grove and Capricorn Copper). Unallocated operations include corporate and administrative functions, which are managed on a group basis and are not allocated to reportable segments. The following table describes the operations of each reportable segment.

Reporting segments	Description
Golden Grove	Base and precious metals mining, mineral production and associated activities
Capricorn Copper	Base and precious metals mining, mineral production and associated activities
Exploration	Exploration for mineral resources at Redhill (Chile), and regional exploration at Golden Grove (Western Australia) and Capricorn Copper (Queensland)

[13] *Pro forma* financial information is non-IFRS financial information. Refer to important information on page 17 regarding the use of non-IFRS financial information in this report.

[14] Refer to Note 30 of the Group's Consolidated Financial Statements for the year ended 31 December 2022.

[15] *Pro forma* financial information is non-IFRS financial information. Refer to important information on page 17 regarding the use of non-IFRS financial information in this report.

Non-IFRS Financial Information

29Metals' results are reported under IFRS. This report includes certain metrics, such as *AISC, C1 Costs, Cu-eq, Drawn Debt, EBITDA, Net Drawn Debt, Site Operating Costs* and *Total Liquidity*, that are non-IFRS financial information within the meaning of ASIC Regulatory Guide 230: '*Disclosing non-IFRS financial information*'. These non-IFRS financial information metrics have been calculated by reference to information prepared in accordance with IFRS. However, these non-IFRS financial information metrics do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies.

The non-IFRS financial information metrics included in this report are used by 29Metals to assess the underlying performance of the business. The non-IFRS information has not been subject to audit by 29Metals' external auditor.

Non-IFRS financial information should be used in addition to, and not as a substitute for, information prepared in accordance with IFRS. Although 29Metals believes these non-IFRS financial information metrics provide useful information to investors and other market participants, readers are cautioned not to place undue reliance on any non-IFRS financial information presented. Refer to page 36 for definitions of the non-IFRS financial information metrics used in this report.

In addition to the non-IFRS financial information metrics used in this report, this report contains certain Pro forma financial information. Pro forma financial information is also non-IFRS financial information and has not been subject to audit by 29Metals' external auditor.

The Pro forma financial information in this report has been included to provide investors and other market participants with additional insights into the operating and financial performance of the Group.

The Pro forma financial information in this report should be used in addition to, and not as a substitute for, information prepared in accordance with IFRS.

Rounding

Certain figures, amounts, percentages, estimates, calculations of value and fractions presented are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures presented.

OPERATIONAL PERFORMANCE REVIEW

Safety Performance

29Metals' TRIFR improved to 9.8 per million hours worked (2021: 12.0) at the end of the Reporting Period. 29Metals' lost time injury frequency rate ('**LTIFR**') increased from 0.4 to 2.0 per million hours worked.

		Statutory			Pro forma [1]	
		2022	**2021**	**VAR**	2021	VAR
TRIFR	/mwhrs	9.8	12.0	(2.2)	12.1	(2.3)
LTIFR	/mwhrs	2.0	0.4	1.6	0.7	1.3

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Safety performance for the year was challenged by COVID-19 and seasonal illness-related absenteeism, particularly in the first half of the Reporting Period, as well as turnover rates in a tight labour market. These factors placed additional strains on operating teams and increased training and induction requirements, contributing to the incidence of minor and low potential incidents.

During the Reporting Period, 29Metals continued to implement initiatives to improve safety performance and reduce potential risks to our workforce, including:

- the review, simplification and alignment of the critical risk management framework across the Group;
- updating the integrated HSEC Management System, supported by Group standards that reinforce consistent minimum requirements;
- applying an increased focus on leading indicators, including in-field leadership safety interactions, workplace inspections and critical control verifications; and
- rolling-out mental health training programs.

29Metals remains committed to continuous improvement in safety performance and reducing the risk of harm across the business.

Group Production

		Statutory			Pro forma [1]	
		2022	2021	VAR	2021	VAR
Ore mined	kt	3,235	2,487	748	3,297	(62)
Ore milled	kt	3,278	2,267	1,011	3,108	170
Metal Production						
Cu-eq	*kt*	*73.4*	*57.8*	*15.6*	*68.2*	*5.2*
Copper	kt	40.8	30.6	10.2	40.7	0.1
Zinc	kt	57.6	47.8	9.8	47.8	9.8
Gold	koz	26.6	35.8	(9.2)	35.8	(9.2)
Silver	koz	1,555	1,641	(86)	1,766	(211)
Lead	kt	2.8	2.4	0.4	2.4	0.4

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Cu-eq metal production increased by 8% over Pro forma Cu-eq production in the prior period, supported by a 21% increase in zinc production, partly offset by lower precious metals production. Across the Reporting Period, Group production improved in the second half as absenteeism started to normalise and milled grades generally improved.

The operating performance of Golden Grove and Capricorn Copper for the Reporting Period is discussed further below.

Golden Grove

Golden Grove, located in Western Australia, is one of 29Metals' long-life operating assets. Golden Grove hosts a world-class volcaniclastic-hosted massive sulphide ('**VHMS**') system. Operating since 1990, when production at the Scuddles underground mine began, Golden Grove has a history of discovery, resource extension, production growth and mine-life extension.

		Statutory			Pro forma [1]	
	Unit	2022	2021	VAR	2021	VAR
Ore mined	kt	1,522	1,525	(3)	1,525	(3)
Ore milled	kt	1,547	1,405	142	1,405	142
Milled Grades						
Copper	%	1.3	1.3	0.0	1.3	0.0
Zinc	%	4.3	4.0	0.3	4.0	0.3
Gold	g/t	0.8	1.1	(0.3)	1.1	(0.3)
Silver	g/t	37	43	(6)	43	(6)
Metal Production						
Cu-eq [2]	*kt*	*49.0*	*42.8*	*6.2*	*42.8*	*6.2*
Copper	kt	16.9	16.0	0.9	16.0	0.9
Zinc	kt	57.6	47.8	9.8	47.8	9.8
Gold	koz	26.6	35.8	(9.2)	35.8	(9.2)
Silver	koz	1,321	1,496	(175)	1,496	(175)
Lead	kt	2.8	2.4	0.4	2.4	0.4
Costs						
C1 Costs [2]	$'000	78,505	46,943	31,562	44,842	33,663
C1 Costs [2]	US$/lb	1.62	1.10	0.52	1.05	0.57
AISC [2]	$'000	148,049	125,736	22,313	123,636	24,413
AISC [2]	US$/lb	3.05	2.95	0.10	2.90	0.15
Capital						
Sustaining capital	$'000	23,532	22,670	862	22,670	862
Capitalised development	$'000	26,104	37,757	(11,653)	37,757	(11,653)
Growth capital	$'000	10,133	11,300	(1,167)	11,300	(1,167)
Profitability						
Revenue	$'000	433,774	419,909	13,866	419,909	13,866
EBITDA [2]	$'000	110,557	161,333	(50,776)	163,413	(52,856)

1. Pro forma financial information is non-IFRS financial information. Refer to important information regarding the use of non-IFRS financial information in this report on page 17.

2. *Cu-eq, C1 Costs, AISC* and *EBITDA* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information metrics in this report.

Key Results

- 21% increase in zinc production relative to the prior period, including production from the first stope at XE.
- Ventilation upgrades which will support higher activity levels at depth, including additional surface cooling capacity and extension of fresh air raises to the lower operating levels.
- Completed the Hougoumont-Oizon-XE ('**HOX**') link, enabling a one-way traffic system in this area.
- Completed construction and commissioning of the paste fill plant and extended supporting underground reticulation systems.
- Produced from first 45m height stope interval (increased from 30m) at XE, implemented to reduce lateral development requirements over Golden Grove's life of mine and improve mining productivity from XE.
- Renewed the underground mining services contract with Byrnecut Australia Pty Ltd, for a term of up to five years.
- Released results of the GV Studies and Cervantes PFS, building upon Golden Grove's history of discovery, resource extension, production growth and mine-life extensions.

Production

Operating conditions during the Reporting Period for Golden Grove, and in Western Australia generally, were challenging in 2022 as a result of the direct and indirect impacts of COVID-19, including COVID-19 related absenteeism, in combination with seasonal related illness particularly during the June quarter 2022, and tight labour market conditions. Together, these factors negatively impacted labour availability.

29Metals revised Golden Grove's operating plans to mitigate the impact of reduced labour availability, reallocating available resources to lower grade ore sources closer to surface which required less ground support and less operating personnel (due to lower cycle times). The reallocation of resources was successful in ameliorating the impact of labour absenteeism, however, development performance during the Reporting Period was below plan, delaying the ramp-up of production of higher-grade ore sources, particularly XE. Improving development performance and continuing installation of supporting infrastructure (including ventilation) is a key focus for 2023 and beyond.

During the Reporting Period, ore was mined from the Gossan Hill complex and Scuddles mines, with higher grade zinc ore mined from D-Zinc, Hougoumont and XE orebodies in the second half of the year.

Increased higher grade ore feed supported an increase in zinc production to 58kt in the Reporting Period, an increase of 21% on the prior period. Production of gold and silver were lower during the Reporting Period (26% and 12% lower, respectively), reflecting the mining of higher precious metal grade ore sources in the prior period.

Copper production for the Reporting Period of 17kt improved marginally on the prior period.

Operating Costs & Capital

C1 Costs of $78,505 thousand were $31,562 thousand higher than the prior period reflecting the impact of higher input costs during the Reporting Period, including higher diesel prices, contributing to higher Site Operating Costs. C1 Costs were also impacted by higher zinc treatment charges ('**TCs**'), including TC escalators linked to the zinc price. Overall, by-product credits increased relative to the prior period, with higher zinc revenue offsetting lower precious metals revenue. [16]

AISC of $148,049 thousand was $22,313 thousand higher than the prior period attributable to increased C1 Costs and a reduction in capitalised development expenditure, with a reduced proportion of total development meters being completed and capitalised during the Reporting Period, consistent with the changes to plan required because of labour absenteeism, as discussed above.

Sustaining capital of $23,532 thousand for the Reporting Period included expenditure on projects that will support future production outcomes at Golden Grove, including expansion of capacity at Golden Grove's tailings storage facility ('**TSF**') 1 and cooling and ventilation infrastructure for mining at depth at Gossan Hill. Once TSF1 capacity is fully utilised, tailings deposition is planned to transition to TSF3 in 2023. In parallel, work to move to longer-life tailings capacity has commenced.

Capitalised Development of $26,104 thousand was primarily in relation to activity at XE and approximately $11,653 thousand lower than the prior period. Lower capitalised development expenditure is a result of the changes to operating plans at Golden Grove implemented to mitigate the impact of labour absenteeism (discussed above).

Growth capital at Golden Grove relates to the construction and commissioning of the paste fill plant which was completed during the Reporting Period and will support production rates at depth, particularly from XE.

[16] *Site Operating Costs*, *C1 Costs* and *AISC* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information metrics in this report.

Capricorn Copper

The Capricorn Copper mine, located in Queensland, is a high-grade copper and silver mine with multiple ore sources employing a combination of sub-level cave and open stope mining. Capricorn Copper currently has a mine life of more than 10 years, and 1,858km² of exploration tenements in the highly prospective Mt Isa region.

		Statutory			Pro forma [1]	
	Unit	2022	2021	VAR	2021	VAR
Ore mined	kt	1,714	962	752	1,772	(58)
Ore milled	kt	1,731	862	869	1,703	28
Milled Grades						
Copper	%	1.6	1.9	(0.3)	1.7	(0.1)
Silver	g/t	7.8	8.9	(1.1)	9.1	(1.3)
Metal Production						
Cu-eq [2]	*kt*	*24.4*	*14.9*	*9.5*	*25.4*	*(1.0)*
Copper	kt	23.8	14.6	9.2	24.7	(0.9)
Silver	koz	234	145	89	270	(36)
Costs						
C1 Costs [2]	$'000	219,814	100,141	119,673	186,322	33,492
C1 Costs [2]	US$/lb	3.00	2.20	0.80	2.80	0.20
AISC [2]	$'000	272,357	127,488	144,869	229,990	42,367
AISC [2]	US$/lb	3.71	2.79	0.92	3.45	0.26
Capital						
Sustaining capital	$'000	22,636	10,059	12,577	12,419	10,217
Capitalised development	$'000	18,300	9,737	8,563	18,456	(156)
Growth capital	$'000	0	0	0	0	0
Profitability						
Revenue	$'000	286,913	180,853	106,060	289,688	(2,775)
EBITDA [2]	$'000	65,891	73,277	(7,386)	109,906	(44,015)

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.
2. *Cu-eq, C1 Costs, AISC* and *EBITDA* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information metrics in this report.

As described above, the Group Statutory results for the prior period include Capricorn Copper results post completion of the IPO (July 2021) to 31 December 2021. Accordingly, commentary below has been provided for the Reporting Period against Pro forma results for the year ended 31 December 2021.

Key Results

- Completed transition of processing operations and maintenance teams, and paste plant operations, 'in-house' during the Reporting Period, increasing operational alignment.
- Completion of a new ventilation shaft to surface at ESS, to improve underground operating conditions and sustain mining rates at depth.
- Significant investment in water management and tailings storage infrastructure, including the installation of new high-efficiency mechanical evaporators to assist in reducing water levels on-site. [17]
- Commenced flotation test work and mineral deportment studies to evaluate cobalt by-product recovery opportunities.

Production

Ore was mined from three orebodies (ESS, Mammoth and Greenstone) during the Reporting Period, with operations at Greenstone extended beyond plan following successful resource extension drilling.

Mining activities are expected to conclude at Greenstone in the first half of 2023. Offsetting the depletion of Greenstone, mining production is expected to commence at Mammoth North in 2023, an area of similar depth to Greenstone.

Operating performance generally improved in the second half of 2022, relative to the first half, as the impacts of summer and wet season constraints were removed and COVID-19 related absenteeism abated, the latter peaking in March-April. Operating performance was also assisted by improving grades in the second half, as higher-grade ore was accessed at ESS.

...

[17] Refer to *Environmental Regulation and Performance* disclosures on page 5.

Whilst higher overall, second half production was impacted by truck availability and ventilation constraints at ESS resulting from commissioning issues of new surface fans. Subsequent to year-end, a rectification plan with the supplier has been implemented with the first of the two new surface fans planned to be re-commissioned late in the March quarter 2023.

Ore milled included processing of lower grade ESS ore stockpiled during the prior period, offsetting the impact of mine production constraints discussed above. Accordingly, despite ore mined being 3% lower than the prior period, ore milled increased by 2%.

The lower average grade of ore milled reflects processing of lower grade stockpiled ore, and reduced access to higher grade ESS ore, during the Reporting Period for the reasons discussed above.

Copper production for the Reporting Period of 24kt was marginally lower than the prior period, reflecting the lower grade of ore milled. Silver production of 234koz was lower than the prior period reflecting lower average silver grade milled.

Operating Costs & Capital

C1 Costs of $219,814 thousand were $33,492 thousand higher (18%) than the prior period, reflecting the impact of sector-wide cost inflation which emerged in the Reporting Period, particularly the impact of rise and fall adjustments under Capricorn Copper's contract mining agreement. [18]

During the Reporting Period all concentrate production was delivered to Mt Isa, reducing exposure to shipping markets which were volatile during the Reporting Period.

Sustaining capital of $22,636 thousand for the Reporting Period increased approximately $10,217 thousand on the prior period, with higher expenditure related to mining projects (ventilation and paste fill infrastructure), water management (installation of new high efficiency mechanical evaporators) and environmental projects.

Capitalised development of $18,300 thousand was consistent with expenditure in the prior period.

Consistent with higher C1 Costs and capital expenditure, AISC of $272,357 thousand was $42,367 thousand higher than the prior period.

Organic Growth

Golden Grove Studies [19]

The GV Studies and Cervantes PFS were completed and announced during the Reporting Period. Release of these studies was an important milestone for 29Metals, confirming the technical viability of each project, building upon Golden Grove's history of discovery, resource extension, production growth and mine-life extensions. Further work is planned for 2023 to advance or de-risk the projects, including advancing regulatory approval processes, resource conversion drilling to improve the geological confidence in the Mineral Resources estimates at Cervantes, and evaluation of whole-of-site value enhancement opportunities.

The GV Studies confirmed the technical viability of Gossan Valley as a third mining front, providing 29Metals with an opportunity to increase operating flexibility and de-risk the Golden Grove production profile.

The results of the GV Studies are summarised below.

GV Studies	Unit	Outcome
Average mining rate	ktpa	326
Mine life	Years	6
Site Costs	$/tonne milled	101
Total Capital	$m	161
LOM operating cashflow	$m	46
NPV (pre-tax)	$m	8
IRR (pre-tax)	%	10
Payback	years	4
Copper Price	US$/t	3.30
Zinc Price	US$/t	1.10
Foreign exchange	AUD:USD	0.73

[18] *C1 Costs* and *AISC* are non-IFRS financial information metrics. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics in this report.

[19] Refer to '*Golden Grove Studies'* released to the ASX announcements platform on 11 November 2022 for further details of the GV Studies and Cervantes PFS (a copy of which is available on 29Metals' website at: https://www.29metals.com/investors/asx-announcements).

In addition to the results outlined in the GV Studies, Gossan Valley retains substantial upside potential, including mineral inventory outside of the project envelope in existing Mineral Resources estimates and leverage to improving commodity prices. For illustrative purposes, 29Metals prepared sensitivities of the project economics, which are shown below, applying copper and zinc prices and spot foreign exchange rates prevailing in mid-November 2022 as well as a lower discount rate.

GV Studies – Sensitivity Analysis	Units	GV Studies	Sensitivity
Copper price [1]	US$/t	3.30	3.83
Zinc prices [1]	US$/t	1.10	1.36
Foreign exchange [1]	AUD:USD	0.730	0.670
Discount rate	%	8	6
NPV	$m	8	129
IRR	%	10	34

1. Commodity price and foreign exchange rate cited for sensitivity are closing prices on Friday, 11 November 2022 (source: FactSet).

The Cervantes PFS was commissioned following the results of a successful drilling campaign conducted during 2021, to evaluate the viability of developing Cervantes and extend the life of the Scuddles underground mine. The Cervantes PFS results demonstrated the potential to extend the operating life of the Scuddles underground mine and established infrastructure.

Resource conversion at Cervantes is a priority for 29Metals, seeking to improve geological confidence and increase the proportion of Mineral Resources estimates at Cervantes in the *measured* or *indicated* category and support the reporting of a production target and associated project economics.

Exploration Activities

Exploration activity undertaken in the Reporting Period delivered encouraging results, indicating the potential for further resource growth and discovery, and the opportunity to extend mine life at 29Metals' existing operations. Drilling meters completed during the Reporting Period are summarised below, with the majority of exploration activity focused on extending existing mineralisation at known ore bodies.

2022 Drilling	Unit	Exploration	Resource Extension	Resource Conversion
Golden Grove	m	733	11,424	13,111
Capricorn Copper	m	2,080	15,851	15,626

Golden Grove

During the Reporting Period, drilling focused on Cervantes, Amity, Xantho, Scuddles-GG4, XE, Conteville, with:

- positive drilling results at Cervantes, including results reported in August 2022; [20]
- at XE, activities focused on increasing geological confidence in the mineralisation at depth through resource conversion drilling. Results from this work are pending and the orebody remains open at depth; and
- resource extension drilling at Conteville focussed on testing south of previous Mineral Resources estimates [21], in the direction of Gossan Valley.

Capricorn Copper

Near-mine and in-mine drilling focused on ESS, Greenstone, Mammoth North, and Mammoth G-Lens. Regionally, initial reverse circulation ('**RC**') drilling and Induced polarization ('**IP**') geophysical surveys took place testing the prospectivity of several historic regional targets.

Activity in the Reporting Period included:

- resource development drilling at ESS – intersected wide zones of copper, silver, and cobalt mineralisation, with results exceeding what was modelled within 29Metals' 2021 Mineral Resources estimates; [19]
- the ESS results warranted immediate follow-up and an additional $2,000 thousand was committed to expand the program with additional drilling expected to conclude early March quarter 2023, targeting ~100m down plunge of intercepts referred to above; and
- a program of regional initial RC drill testing of the Grey Ghost, Eagles Nest, and Merlot prospects, as well as a campaign of ground geophysics IP surveys over the 2A, Judenan, Moose Hill and Mt Osprey prospects in Capricorn Copper's regional tenement package.

[20] Refer to '*Exploration Update*' released to the ASX announcements platform on 1 August 2022 for full drilling results, including JORC disclosures. A copy of the release is available on 29Metals' website at https://www.29metals.com/investors/asx-announcements.

[21] 29Metals' December 2021 Mineral Resources estimates were released to the ASX announcements platform on 11 March 2022 (a copy of which is available on 29Metals' website at: https://www.29metals.com/investors/reports-presentations).

Redhill

During the Reporting Period, 29Metals completed its first field season at Redhill since the IPO. Field work comprised the collection of rock samples, including using portable hand operated drills.

The results for the 2022 field season were reported in the September quarter 2022. [22] The results highlighted the potential for extensions to existing mineralised veins in all evaluated areas, and the potential for additional veins not currently included in 29Metals' Mineral Resources estimates for Redhill. [23]

Additional activity undertaken during the field campaign included a drone-based magnetics survey over Franceses, Ingleses, and Cutters. The results of the 2022 field campaign are being used to inform planning for future exploration activity at Redhill.

FINANCIAL PERFORMANCE REVIEW

Price and FX

		Statutory			Pro forma [2]	
Metal prices and FX[1]		2022	2021	VAR	2021	VAR
Copper	US$/t	8,823	9,305	(482)	9,305	(482)
Zinc	US$/t	3,493	3,005	488	3,005	488
Gold	US$/oz	1,801	1,798	3	1,798	3
Silver	US$/oz	22	25	(3)	25	(3)
Lead	US$/t	2,155	2,201	(46)	2,201	(46)
Australian dollar (period average)	AUD:USD	0.695	0.752	(0.057)	0.752	(0.057)
Australian dollar (at period end)	AUD:USD	0.678	0.727	(0.049)	0.727	(0.049)

1. Source: FactSet.
2. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Average metal prices for the Reporting Period were lower than the prior period for copper, silver and lead in US$ terms. The average price of zinc was 16% higher than the prior period.

The average Australian dollar exchange rate (AUD:USD) for the Reporting Period of 0.695 was 8% lower than the prior period, increasing the Australian dollar value of US$ receipts.

Net Revenue

		Statutory			Pro forma [1]	
Total revenue		2022	2021	VAR	2021	VAR
Copper concentrate	$'000	516,475	421,758	94,717	535,398	(18,923)
Zinc concentrate	$'000	181,627	124,668	56,959	124,668	56,959
Lead concentrate	$'000	0	40,076	(40,076)	40,076	(40,076)
Shipping revenue	$'000	15,911	7,351	8,560	7,351	8,560
QP price adjustment	$'000	6,675	6,909	(234)	2,104	4,571
Total revenue	**$'000**	**720,688**	**600,762**	**119,926**	**709,597**	**11,091**
Copper metal revenue as a % of revenue [2]	*%*	*59.4%*	*58.6%*	*0.8%%*	*64.5%*	*(5.1%)*
TCRCs netted off against revenue	*$'000*	*78,209*	*55,005*	*23,204*	*60,141*	*18,068*

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

[22] Refer to '*Exploration Update*' and '*Exploration Update – Redhill*' released to the ASX announcements platform on 1 August 2022 and 26 September 2022 (respectively) for full details of the Redhill field campaign exploration results, including JORC disclosures. Copies of these releases are available on 29Metals' website at:https://www.29metals.com/investors/asx-announcements.

[23] 29Metals' Mineral Resource estimates for Redhill, including JORC Code Table 1 disclosures, are set out in 29Metals' Mineral Resources and Ore Reserves estimates as released to the ASX announcements platform on 11 March 2022 (a copy of which is available on 29Metals' website at https://www.29metals.com/investors/reports-presentations).

2. Measured as copper revenues excluding unrealised QP gains/(losses) and TCRCs, divided by total revenue excluding unrealised QP gains/(losses) and TCRCs.

29Metals generates revenue from the sale of copper, zinc and lead concentrates produced at Golden Grove, and from the sale of copper concentrates produced at Capricorn Copper. Total revenue in the Reporting Period of $720,688 thousand (2021: $600,762 thousand) was 20% higher than the prior period (on a statutory basis), reflecting a full year of revenue from Capricorn Copper in the Reporting Period, higher zinc production and higher zinc price.

Revenue increased by 2% on the prior period Pro forma result, with higher zinc concentrate revenue more than offsetting lower copper and lead concentrate revenue and higher TCRCs.

There were no sales of lead concentrate for the period, however, production of lead concentrate at Golden Grove was accumulated as finished goods inventory. As lead concentrate production remained unsold at the end of the Reporting Period, the costs associated with its production were adjusted in cost of sales, through stockpile movements reported for the Reporting Period.

A portion of the Group's sales are conducted on a Cost Insurance and Freight ('**CIF**') Incoterms basis, where the performance obligation includes providing freight and shipping services. As a result, the revenue generated from CIF sales is recognised as Shipping revenue. The increase in Shipping revenue to $15,911 thousand (2021: $7,351 thousand) for the Reporting Period is consistent with higher volumes sold and higher prevailing shipping rates for export during the Reporting Period.

Total concentrate revenue is reported net of TCRCs. Higher TCRC costs in the Reporting Period primarily reflects higher zinc TC charges, inclusive of TC escalators linked to the zinc price under 29Metals' offtake contracts [24], and a higher proportion of zinc concentrate sales.

Typical for base metals producers, 29Metals receives payment (and records revenue) on a provisional basis based on the prevailing commodity prices at the time of shipment. The final value for metal sold is determined as the average monthly price at the end of the QP period. Generally, under 29Metals' existing offtake agreements, the QP period is in 1 to 3 months after the date of shipment. The difference between provisional and final sales values (realised QPs) and the mark-to market movements on receivables for which final pricing is yet to be determined (unrealised QPs) are recorded as gains and losses, as applicable, in the consolidated statement of comprehensive income for the relevant period.

Gross profit

		Statutory			Pro forma [1]	
Gross profit		2022	2021	VAR	2021	VAR
Revenue	**$'000**	**720,688**	**600,762**	**119,926**	**709,597**	**11,091**
Mining costs	$'000	(284,455)	(213,289)	(71,166)	(258,909)	(25,546)
Processing costs	$'000	(136,826)	(94,419)	(42,407)	(111,090)	(25,736)
Site services costs	$'000	(54,013)	(37,684)	(16,329)	(45,926)	(8,087)
Depreciation and amortisation	$'000	(188,989)	(100,113)	(88,876)	(124,457)	(64,532)
Stockpile movements	$'000	17,995	25,580	(7,585)	35,231	(17,236)
Government royalties	$'000	(31,842)	(25,918)	(5,924)	(31,159)	(683)
Other production and selling costs	$'000	(38,669)	(18,275)	(20,394)	(24,992)	(13,677)
Cost of sales	**$'000**	**(716,799)**	**(464,118)**	**(252,681)**	**(561,303)**	**(155,496)**
Gross profit	**$'000**	**3,889**	**136,644**	**(132,755)**	**148,294**	**(144,405)**

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Cost of sales increased 54% for the Reporting Period against the prior period statutory result, with higher activity and sales volumes, as well as the impacts of industry-wide inflation (particularly in the second half), increasing costs during the Reporting Period. In addition, the Reporting Period includes the impact of the inclusion of a full year of costs for Capricorn Copper, relative to the prior period Statutory result.

Cost of sales increased by 28% against the prior period on a Pro forma basis, reflecting:

- higher mining costs (particularly in the second half), with the higher input costs impacting unit rates under contract mining agreements at both Golden Grove and Capricorn Copper;
- higher processing costs, with increases in plant maintenance costs, and higher unit costs for processing consumables;
- increased D&A, discussed further below;
- lower stockpile movements, with a lower build-up of stockpiled relative to the prior period, and

[24] Details regarding the zinc TC escalators that apply under 29Metals' zinc concentrate offtake contracts are set out in 29Metals' Mar-Qtr 2022 report released to the ASX announcement platform on 27 April 2022, a copy of which is available via 29Metals' website at: https://www.29metals.com/investors/asx-announcements.

- higher prevailing unit rates for concentrate transport.

Gross profit of $3,889 thousand was $132,755 thousand lower than the prior period statutory result, and $144,405 thousand lower on a Pro forma basis.

D&A

D&A		Statutory 2022	Statutory 2021	Statutory VAR	Pro forma [1] 2021	Pro forma [1] VAR
PPE	$'000	63,823	20,433	43,390	22,993	40,830
Mine properties	$'000	92,756	52,606	40,150	69,594	23,162
AASB16 leases amortisation	$'000	32,774	27,074	5,700	31,871	903
Intangibles amortisation	$'000	46	11	35	11	35
Total D&A [2]	**$'000**	**189,399**	**100,124**	**89,275**	**124,468**	**64,931**

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.
2. Total D&A for the Reporting Period includes $411 thousand (2021: $11 thousand) of D&A on corporate assets (not included in cost of sales).

D&A of $189,399 thousand (2021: $100,124 thousand) in the Reporting Period was 89% higher than the prior period statutory result, reflecting:

- the inclusion of a full year of Capricorn Copper D&A;
- increased investment in TSF capacity expansions at both Golden Grove and Capricorn Copper;
- higher TSF utilisation rates as a result of lower placement of backfill underground, which consequently was placed in TSFs; and
- scheduling changes to ameliorate the impact of labour absenteeism which resulted in production from areas with shorter lives, and consequentially, higher mine properties depreciation rates.

D&A in the Reporting Period was 52% higher than the prior period on a Pro forma basis (2021: $124,468 thousand).

Net Profit After Tax

Net profit after tax		Statutory 2022	Statutory 2021	Statutory VAR	Pro forma [1] 2021	Pro forma [1] VAR
Gross profit	**$'000**	**3,889**	**136,644**	**(132,755)**	**148,294**	**(144,405)**
Other income	$'000	201	270	(69)	554	(353)
Net gain/(loss) on derivative financial instruments	$'000	(4,652)	(11,135)	6,483	(48,471)	43,819
Net foreign exchange gain/(loss)	$'000	(12,198)	(13,450)	1,252	(11,136)	(1,062)
Administration expenses	$'000	(33,884)	(18,641)	(15,243)	(24,603)	(9,281)
Other expenses	$'000	-	(45,649)	45,649	(1,204)	1,204
(Loss)/Profit before net finance costs and income tax expense	**$'000**	**(46,644)**	**48,039**	**(94,683)**	**63,434**	**(110,078)**
Net finance costs	$'000	(19,172)	(30,262)	11,090	(16,665)	(2,507)
(Loss)/Profit before income tax expense	**$'000**	**(65,816)**	**17,777**	**(83,593)**	**46,769**	**(112,585)**
Income tax (expense)/benefit	$'000	18,594	103,236	(84,642)	(12,433)	31,027
Net (loss)/profit for the year (NPAT)	**$'000**	**(47,222)**	**121,013**	**(168,235)**	**34,336**	**(81,558)**
Earnings / (loss) per share ('**EPS**') (Basic)	cents	(9.8)	48.5	(58.3)	7.1	(16.9)

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

A net loss after tax of $47,222 thousand for the Reporting Period reflects the gross profit result, losses on derivative financial instruments and on foreign exchange, and higher administration expenses and net finance costs.

Foreign exchange losses of $12,198 thousand related to the devaluation of the Australian dollar against the US dollar at period end, resulting in unrealised losses on the Group's US$ denominated borrowings, partly offset by unrealised gains on the Group's US dollar denominated cash holdings.

Administration expenses of $33,884 thousand includes $22,101 thousand in corporate head office costs, and other expenses of $11,783 thousand directly relating to off-site administration expenses for Golden Grove, Capricorn Copper and Redhill. Corporate head office costs were in line with the prior period on a Pro forma basis.

Net finance costs of $19,172 thousand for the Reporting Period includes $11,599 thousand relating to interest charges on Drawn Debt. [25] Relative to the Pro forma result for the prior period, the increase in net finance costs reflects higher interest costs, particularly in the second half of the Reporting Period, partly offset by higher interest received.

The Income tax benefit of $18,594 thousand recognised in the Reporting Period reflects the recognition of deferred tax assets, including tax losses for the Reporting Period and movements in other temporary tax balances.

EBITDA [23]

EBITDA of $151,579 thousand for the Reporting Period was 15% lower than the prior period on a Statutory basis and 40% lower than the prior period Pro forma result. The EBITDA result primarily reflects higher Site Operating Costs for the Reporting Period, offset by higher revenues.

A reconciliation of EBITDA to NPAT is set out below.

		Statutory			Pro forma [1]	
NPAT to EBITDA[1] reconciliation		2022	2021	VAR	2021	VAR
NPAT	**$'000**	**(47,222)**	**121,013**	**(168,235)**	**34,336**	**(81,558)**
Add: Income tax (expense)/benefit	$'000	(18,594)	(103,236)	84,642	12,433	(31,027)
Add: Net finance costs	$'000	19,172	30,262	(11,090)	16,665	2,507
Add: Depreciation and amortisation	$'000	189,399	100,124	89,275	124,468	64,931
Add: Unrealised foreign exchange (gain)/loss	$'000	4,172	17,993	(13,821)	17,692	(13,520)
Add: Net (gain)/loss on derivative financial instruments	$'000	4,652	11,135	(6,483)	48,471	(43,819)
EBITDA[1]	**$'000**	**151,579**	**177,291**	**(25,712)**	**254,066**	**(102,487)**

1. Pro forma financial information is non-IFRS financial information. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Derivative Financial Instruments

During the Reporting Period, the Group continued to cash settle outstanding derivative financial instruments, being commodity hedges for copper and gold entered into prior to the IPO.

At 31 December 2022, the Group had fully settled all copper hedges, providing the Group with full exposure to copper prices going forward. Remaining gold hedges will cash settle over the period to December 2025.

The fair value of the Group's outstanding derivative financial instruments at 31 December are summarised below.

Outstanding Gold Hedges (fair value)		2022	2021	VAR
Copper hedges (Capricorn Copper)	$'000	-	(31,259)	31,259
Gold hedges (Golden Grove)	$'000	(6,782)	1,541	(8,323)
Total fair value of Derivative financial instruments	**$'000**	**(6,782)**	**(29,718)**	**22,936**

The volume and pricing of outstanding gold hedges at 31 December 2022 is summarised below.

Outstanding Gold Hedges	Ounces	$/ounce
Jan-Dec 2023	10,008	2,590
Jan-Dec 2024	10,008	2,590
Jan-Dec 2025	10,008	2,590

Cashflows

Cashflows		2022	2021	VAR
Cashflow from operating activities	$'000	155,690	75,098 [1]	80,592
Cashflow from investing activities	$'000	(113,611)	(92,548)	(21,063)
Cashflow from financing activities	$'000	(72,399)	101,876 [2]	(174,275)
Net increase/(decrease) in cash and cash equivalents	**$'000**	**(30,320)**	**84,426**	**(114,746)**

. . .

[25] *Drawn Debt* and *EBITDA* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information in this report.

Cashflows		2022	2021	VAR
Effects of movements in exchange rates on cash held	$'000	4,810	5,831	(1,021)
Cash and cash equivalents at the beginning of the Reporting Period	$'000	197,472	107,215	90,257
Cash and cash equivalents at the end of the Reporting Period	**$'000**	**171,962**	**197,472**	**(25,510)**

1. Prior period operating cashflows include payments for transaction costs in respect of the IPO.
2. Financing cash inflows of $101,876 thousand in the prior period included net proceeds raised from the IPO.

Cashflows from operating activities of $155,690 thousand were $80,592 thousand higher than the prior period, after $27,588 thousand in payments for settlement of derivative financial instruments (comprising copper and gold hedges) during the Reporting Period.

Investing cash outflows of $113,611 thousand were $21,063 thousand higher than the prior period, primarily due to the inclusion of Capricorn Copper for the full Reporting Period.

Financing cash outflows of $72,399 thousand includes $32,047 thousand relating to AASB16 lease liabilities, the payment of the interim dividend of $9,627 thousand, as well as interest and principal payments in relation to the Group's debt facilities.

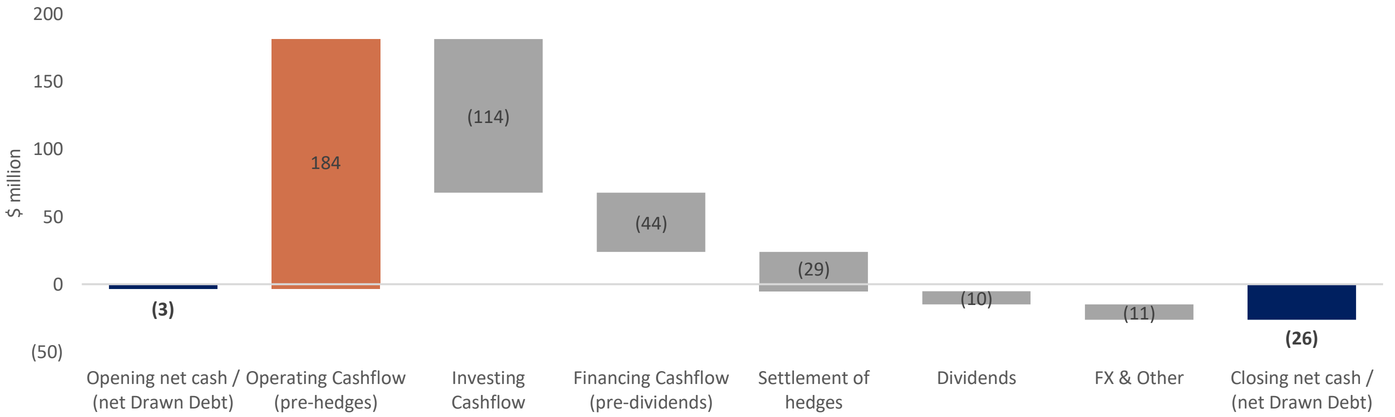
Net Drawn Debt and Liquidity

During the Reporting Period, 29Metals repaid US$12,000 thousand of principal against the Group's term loan facility, reducing Drawn Debt from US$150,000 thousand in the prior period to US$138,000 thousand at 31 December 2022. In Australian dollar terms, the reduction in Drawn Debt reflects repayments made during the Reporting Period and depreciation of the Australian dollar against the US dollar.

Net Drawn Debt [1]		31-Dec-2022	31-Dec-2021
Term loan facility	$'000	198,359	200,971
Working capital facility	$'000	-	-
Drawn Debt [1]	**$'000**	**198,359**	**200,971**
Cash and cash equivalents [2]	$'000	171,962	197,472
Net Drawn Debt [1]	**$'000**	**26,397**	**3,499**
US$ balances included in cash and cash equivalents	*US$'000*	*47,152*	*63,578*

1. *Drawn Debt* and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information metrics in this report.
2. Excludes cash balances set aside for rental security deposits and IPO proceeds retained by 29Metals under the Cash Backed Indemnity Deed. Refer to Note 39 of the Group's Consolidated Financial Statements for the year ended 31 December 2021 for further information regarding the Cash Backed Indemnity Deed.

At 31 December 2022, 29Metals had Net Drawn Debt [26] of $26,397 thousand (31 December 2021: $3,499 thousand). The key movements in Net Drawn Debt during the Reporting Period are shown below, including the impact of movements in foreign exchange rates on US dollar denominated cash and debt balances.



[26] *Net Drawn Debt, Drawn Debt* and *Total Liquidity* are non-IFRS financial information metrics. Refer to page 17 for important information regarding the use of non-IFRS financial information metrics in this report.

At 31 December 2022, the Group had Total Liquidity [24] of $230,962 thousand (31 December 2021: $252,472 thousand). Cash and cash equivalents balance comprise Australian dollar and US dollar holdings totalling $171,962 thousand (31 December 2021: $197,472 thousand).

Total Liquidity		31-Dec-2022	31-Dec-2021
Cash and cash equivalents	$'000	171,962	197,472
Available to be drawn under the working capital facility [1]	$'000	59,000	55,000
Total Liquidity	**$'000**	**230,962**	**252,472**

1. *Amount available to be drawn under the working capital facility is US$40m, converted to Australian Dollars at the exchange rate on 31 December 2022 0.678 (Source: FactSet).*

Final settlement of stamp duty in relation to the acquisition of Golden Grove remained outstanding at the end of the Reporting Period. 29Metals has maintained a $26,434 thousand accrual for stamp duty at 31 December 2022.

OUTLOOK AND STRATEGY

Market Outlook

29Metals explores for, develops and produces metals (in the form of mineral concentrates) including copper, zinc, gold, silver and lead. The outlook for copper, zinc, gold and silver is set out below.

Copper

The near-term outlook for copper is expected to be supported by:

- the removal of the China *COVID-Zero* policy, increased Chinese industrial activity and, in turn, demand for copper;
- increasing production and sales of electric vehicles, particularly in the USA and China, increasing the demand for copper; and
- ongoing disruptions to traditional sources of supply, particularly from South American producers.

Over the medium-to-long term, increasing urbanisation, decarbonisation, electrification and the global transition to a greener economy are expected to drive significant incremental demand for copper metal.

Meanwhile, the supply outlook for copper is subject to a range of impediments, including permitting challenges associated with the development of new copper mines, declining head grades for new and existing operations, increased capital intensity, a lack of new discoveries, water scarcity, and increased risk of resource nationalisation in a number of key copper producing nations.

Zinc

The outlook for refined zinc is expected to be positive over the short to medium term, with demand driven by:

- requirements for galvanised steel in the construction of renewable energy sources, particularly wind and solar power capacity; and
- government infrastructure programs, given refined zinc's end use in construction, transportation and infrastructure.

Short term downside risks include uncertainty around China's demand outlook (including the housing sector), however, this may be offset by recent policy changes which support a stronger outlook for industrial activity and, in turn, demand for zinc.

Growth in mined zinc supply from new projects is expected in the near and medium term. However, European zinc smelter utilisation cuts in response to the European energy crisis may keep zinc metal supply tight, supporting prices.

Gold & Silver

Continued market volatility, recovering physical demand and lingering concerns about global inflation are expected to support a positive outlook for both gold and silver.

Industrial demand for silver is also expected to benefit from its use in electromagnetic shielding associated with 5G developments, solar installations and rising use in the energy transition.

Business Environment

The business environment continues to be volatile. During the Reporting Period, 29Metals experienced operational challenges through a combination of:

- the direct and indirect impacts of COVID-19, albeit reducing after the first half;
- labour market tightness as a result of very low unemployment rates nationally;

- inflationary cost pressures and, in response, increasing interest rates;
- global supply chain disruptions; and
- macroeconomic conditions and geopolitical uncertainty.

Other than the direct impacts of COVID-19, which appear to have abated, the impact of these factors remain and are difficult to predict. 29Metals will continue to respond to these challenges as required, which may include revisions of operating plans to manage available human resources and managing capital.

Business Strategy

29Metals' vision is to be a leading ASX-listed copper producer, developer and explorer, offering investors exposure to attractive market dynamics for copper and other metals critical to the global energy transition.

29Metals' strategy over the near-to-medium term is focused on delivering against our operating plan and advancing our pipeline of organic growth opportunities.

29Metals may evaluate external growth opportunities on an opportunistic and selective basis. External growth opportunities will only be pursued where 29Metals is confident the opportunity will enhance shareholder value and enhance its ability to deliver sustainable returns to shareholders.

Opportunities & Likely Developments

29Metals' performance in 2023 and beyond will be influenced by a number of key drivers – development rates (particularly at Golden Grove), continued investment in ventilation capacity, successfully navigating regulatory approval processes, costs management and capital discipline. [27]

These factors, discussed further below, are expected to impact production volumes and cashflows in the first half, particularly the March quarter.

Development rates

29Metals expects to sustain the improvement in development rates shown in the December 2023 quarter following the development deficit from the past two years (largely the result of labour availability and absenteeism in the context of COVID-19 related impacts and labour market conditions, as previously reported).

At Golden Grove, the improvement in development rates will support an increasing contribution of ore from XE, particularly in the second half of 2023. Development activity will also seek to progressively restore the operational flexibility of multiple ore sources – flexibility which was utilised by 29Metals at Golden Grove to prioritise production in prior periods.

Ventilation

Along with development advance, maintaining and extending ventilation is a key driver for development and mining activity at depth. Priorities in 2023 include increasing and extending ventilation to support development and mining at XE at depth in second half.

29Metals is engaging closely with vendors to manage supply delays for critical ventilation activities. Continued investment in ventilation infrastructure, including rectifying the mechanical issues affecting recently installed ventilation infrastructure at both sites (refer to Operations), is required to support increased mining activities at depth.

Regulatory approvals

There are a number of regulatory approval processes to be managed in 2023 to support operating performance.

As noted in the *Operations Update* released to the ASX announcements platform on 21 December 2022[28], an approval process is underway for tailings capacity increases at Capricorn Copper. To manage for tailings capacity pending approvals and completion of TSF lift works, milling rates at Capricorn Copper are being constrained during the Mar-Qtr.

The regulatory approval process for the next planned TSF lift at Golden Grove is also ongoing.

29Metals expects relevant approval processes for both sites to be completed by early in the June quarter, with tailings deposition and the lifting of milling rate constraints to commence early in the Jun-Qtr. The expected impact of the milling rate constraints to manage tailings capacity is reflected in 2023 guidance.

With mining rates overall higher than milling rates during this period, there is an opportunity to build surface ore stockpiles and prioritise higher-grade material, where practicable.

At Capricorn Copper, the milling rate constraints also provide an opportunity to bring forward some planned plant maintenance activities.

...

[27] 29Metals' 2023 guidance assumes that the direct and indirect impacts of COVID-19 in prior periods (alone, or in combination with other factors) have largely abated and do not return or escalate in 2023.

[28] A copy of 29Metals' 21 December 2022 *Operations Update* is available on 29Metals' website at: https://www,29metals.com/investors/asx-announcements.

In parallel, 29Metals is advancing plans for new long term / life of mine TSFs at each operating site. The transition to longer-term TSFs will reduce 29Metals' exposure to associated regulatory approvals in the future and align with the long mine-life ahead for both operating sites.

Cost management

Costs management will remain a focus in 2023. While the economy-wide impacts of pressures related directly or indirectly to COVID-19 appear to have largely abated, labour market pressures and an inflationary cost environment continue across the sector.

29Metals' costs guidance for 2023 reflects activity levels and the continuation of costs inflation which emerged in 2022.

TCRC guidance for 2023 incorporates changes and expected changes to TCRC benchmarks for copper and zinc. Guidance also incorporates the zinc TC escalator under 29Metals' existing long-term zinc offtake arrangements.

In 2023, the zinc TC escalator under these existing long-term arrangements is equal to 12.5% of the realised zinc price above US$2,900/t and applies to up to 80 kt (DMT, concentrate).

Capital discipline

Capital guidance for 2023 generally reflects planned activity levels and the hangover of inflationary cost pressures that emerged in 2022.

Sustaining capital to support operations and growth capital for ventilation will be prioritised.

29Metals will continue to invest in in-mine and near mine resource conversion and extension drilling. However, regional exploration drilling will be more limited in 2023, with plans to increase regional exploration activity dependent on operating performance and market conditions.

29Metals will advance its pipeline of organic growth opportunities during 2023. As previously reported, at Golden Grove the approvals process for Gossan Valley will commence in the September quarter, and ongoing resource conversion drilling at Cervantes seeking to improve geological confidence in the mineral inventory is planned. As previously reported, no material capital commitment is required to advance either project before the end of 2023.

At Capricorn Copper, work evaluating the potential to successfully recover cobalt will continue, as we look at the potential to commercialise our cobalt potential which has been enhanced by the successful drilling program at ESS reported during the September quarter.

MATERIAL BUSINESS RISKS

29Metals' business, and operating and financial performance, is subject to risks and uncertainties, some of which are beyond 29Metals' control.

29Metals has a risk management framework in place to:

- identify and evaluate risks and opportunities to 29Metals' business performance and objectives;
- identify and implement controls and other actions to mitigate the impact of risks and capture opportunities; and
- review the effectiveness of controls and other actions to mitigate risk.

Risks and uncertainties are assessed by reference to the potential for: harm or injury; financial impact; environmental harm; non-compliance with regulatory obligations; harm to relationships with stakeholders; and harm to the reputation of the Company. In most instances, identified risks have the potential to impact across more than one of these dimensions outlined above.

The table below outlines those risks that 29Metals' has identified as having the potential to have a material adverse impact on 29Metals business performance and/or operating and financial results. The risks outlined in the table are not intended to be an exhaustive description of the risks and uncertainties that may impact on 29Metals'. There may be other risks that uncertainties that 29Metals is not aware of or which are currently considered to be unlikely to have a material impact.

Material business risk	Discussion
Metal prices	29Metals' revenue is dependent upon the market prices for the metals that 29Metals produces from its mining operations (in the form of mineral concentrates). Market prices for metals are subject to fluctuation, including material fluctuations, due to a range of factors outside of 29Metals' control, including changes in the current or forecast supply and demand for relevant metals, the availability and cost of substitute products, currency exchange rates, inventory levels maintained by users, the cyclicality of consumption, actions of other participants in commodities markets, adverse weather incidents and operational challenges which affect supply, general global, regional and local economic activity, and other international macroeconomic and geopolitical events. 29Metals' exposure to commodity prices may be exacerbated by the nature of contractual arrangements for the sale of mineral concentrates. Mineral concentrate sales contracts typically apply the concept of quotational periods whereby the metal prices that apply to the metal-in-concentrate are the metal prices for a defined period (the quotational period) after the month in which the mineral concentrate shipment is dispatched. As a result, the realised metal price for 29Metals' products will generally differ (potentially materially) from the market price for the relevant metals at the time of production out-turn and shipment. The gain or loss on adjustments to mineral concentrates contracts to reflect the quotational period adjustments will impact the period between dispatch of the mineral concentrate shipment and the end of the quotational period.

Material business risk	Discussion
	Commodity prices also indirectly impact 29Metals via the charges that 29Metals pays for the treatment and refining of mineral concentrates (referred to elsewhere in this report as **TCRCs**). TCRCs are subject to various market factors, including competition for smelter capacity, and have a general correlation to commodity prices. In addition, TCRCs may have a link to commodity prices through TCRC escalators, as is the case under 29Metals' existing long-term zinc concentrate offtake agreements at Golden Grove under which the zinc treatment charges under the contract increase if the market price for zinc hits a specified level.[29] 29Metals' completed settlement of copper hedges applicable to Capricorn Copper production early in the December 2022 quarter. As a result, 29Metals is wholly exposed to market prices for metals, other than in respect of a portion of its gold production at Golden Grove[30], and the corresponding factors that impact TCRCs.
Regulatory approvals	29Metals' mining operations are subject to a range of regulatory approval and licencing requirements prescribed under applicable laws in each jurisdiction in which 29Metals operates. 29Metals' business performance and future operating and financial results are dependent upon 29Metals obtaining, in a timely fashion, and maintaining regulatory approvals and licences required to support current and future mining operations. Regulatory frameworks are complex and subject to change, including as a result of changes in government or government policy, changes in community expectations, and the intervention of the Courts. In addition, regulatory approval and licencing processes may be protracted due to internal government decision-making processes (which involve the exercise of discretion and may be unpredictable), and statutory and other rights of stakeholders, including the public, non-government organisations and anti-mining groups, in relation to proposed approvals and licences. 29Metals has ongoing regulatory approval processes at both of its operating sites, including approvals relating to increases in tailings storage capacity. Failures or delays in obtaining relevant regulatory approvals and licences in a timely manner, or failures to maintain relevant regulatory approvals and licences, may result in a range of adverse impacts on 29Metals, including: ▪ requiring 29Metals to change operating plans to maintain operations within existing approval and licence parameters, such as reducing production rates to extend existing tailings storage facilities' capacity; ▪ delays or changes to development plans; and ▪ changes to the economic viability of 29Metals' development projects which, in turn, may adversely impact the Company's growth objectives and result in a revision of Mineral Resources and Ore Reserves estimates, or an impairment of the carrying value of 29Metals' assets.
Underground mining risks	29Metals undertakes mining operations by applying underground mining techniques. Underground mining operations are subject to various risks, including: ▪ geotechnical risks and seismicity; ▪ factors affecting productivity, including ventilation; and ▪ maintaining development rates to provide access to ore for mineral processing. *Geotechnical risks* Geotechnical risks arise from changes in the stresses, seismicity and/or stability of the rock formations that surround ore and waste material once that material has been extracted by mining, along with general seismicity risks which may result in sudden movement of underground workings. Geotechnical conditions can be unpredictable and failures in current or historic mined areas, in the form of the material collapsing into stopes or development voids, may occur without warning. The impact of geotechnical and underground seismicity events on 29Metals may include: ▪ harm or injury, including death, to underground mining personnel or damage to property; ▪ access to mining areas and equipment may be interrupted, including as a result of regulatory intervention; ▪ incurring additional costs to rehabilitate and/or restore access to affected areas; and ▪ financial penalties or loss of licenses. *Productivity factors, including ventilation* Productivity in underground mining operations is subject to various factors, including labour and equipment availability. In addition, to maintain productivity, 29Metals must extend and expand infrastructure to support underground mining operations, notably ventilation infrastructure to ensure that temperature and air quality in the underground mining operations are suitable for human health and safety. Maintaining adequate ventilation infrastructure to support 29Metals' underground mining operations, particularly as development and mining activity progresses to greater depths, is, in turn, dependent on the availability and timely supply of ventilation assets by suppliers, and the ability to successfully operate ventilation assets to meet 29Metals' requirements. *Development rates* 29Metals' underground mining operations rely upon development activities to progressively access new production areas in accordance with the mine plan and schedule. 29Metals' ability to execute planned development activities is dependent upon a number of factors, including labour availability and the performance of mining equipment. In addition, as 29Metals' utilises contractor mining at both its operating sites, 29Metals is reliant upon the performance of the mining contractors who, in turn, are exposed to the aforementioned factors (refer above). Shortfalls in development activity delays access to planned production areas and requires the adjustment of mine plans and schedules to prioritise the use of available resources. Those adjustments of mine plans and schedules may have short-term and

[29] Refer to page 19 in the *Operating and Financial Review* for information regarding the zinc offtake TC escalator in 2023.

[30] Refer to page 26 in the *Operating and Financial Review* for information regarding outstanding metal hedge positions at 31 December 2022.

Material business risk	Discussion
	medium-term impacts to forecast production as a consequence of both rescheduling to recover any development deficit as well as the impact of re-sequencing of development activity implemented to mitigate the impact of development delays (as the case may be).
Operating costs and capital expenditure	Operating costs are subject to variations due to a number of factors, some of which are specific to a particular mine site, including changing ore characteristics and metallurgy, the depth of mining and development activities, underground haulage distances, geotechnical conditions and the level of sustaining capital invested to maintain operations. In addition, operating costs and capital expenditure are, to a significant extent, driven by external economic conditions impacting the cost of commodity inputs consumed in mining and mineral processing, including the cost for electricity, water, fuel, chemical reagents, explosives, tyres and steel, as well as labour costs. Key production inputs and consumables are subject to fluctuation, including as a result of changes in international markets (including commodity prices, exchange rate movements and capital markets conditions) and domestic markets (including wage increases and general cost escalation), which are outside of the Company's control. Historically, commodity price increases tend to increase production levels in the relevant sector which, in turn, may result in increased demand for key production inputs and consumables. The impact of increases in demand or prices for production inputs and consumables may include: ▪ changes in operating plans to reduce production input and consumable requirements; ▪ delays to development projects and/or deferral of investment decisions by 29Metals; ▪ changes to the economic assumptions underpinning 29Metals Ore Reserves and Mineral Resources estimates which, in turn, may result in an adverse revision of mineral inventory; and ▪ review of the carrying value of its assets, which may result in impairment charges. In addition to the factors described above, 2022 saw the re-emergence of significant inflationary pressures across the economy which is expected to continue in 2023.
Changes in currency foreign exchange rates	29Metals' mineral concentrate products are priced in US dollars while its operating costs are primarily Australian dollar costs. In addition, 29Metals has debt facilities priced in US dollars and its cash reserves comprise a combination of Australian and US dollars. As a result, 29Metals' financial performance is exposed to relative movements in the US dollar to Australian dollar exchange rate.
Attracting and retaining qualified and experienced workforce	29Metals' business is dependent upon 29Metals' ability to attract and retain a workforce with the appropriate skills and experience to execute the Company's business plans and ensure the Company meets its obligations. The market for personnel with the requisite skills and experience is highly competitive, particularly in Western Australia, and is subject to general labour market conditions and other factors, such as changes in Government policy regarding skilled migration, which are outside of 29Metals' control. During 2021 and 2022, the market for skilled and experienced workers was increasingly tight. Reflecting the combined impact of low unemployment rates nationally and government policies implemented to manage the spread of COVID-19 (including restrictions on travel across State borders and variable 'close contact' isolation requirements). While government-imposed restrictions were progressively released during 2022, tight general labour market conditions are expected to remain in the nearer term. Impacts associated with attracting and retaining a suitably skilled and experienced workforce include: ▪ changes to 29Metals' operating plans to manage available human resources; ▪ risks associated with staff turnover, including additional costs to train new personnel and the potential for health and safety incidents as a result of new personnel being unfamiliar with the specific environment and risks at 29Metals' operating sites; and incurring additional costs to implement attraction and retention strategies in the competitive landscape.
Reliance on Contractual counterparties	29Metals is reliant upon contractual counterparties, both in the delivery of 29Metals' operating and business plans, and the sale of 29Metals' mineral concentrate products. Contractors and suppliers 29Metals utilises contractors to plan and execute its current and future mineral exploration and mining operations activities, including: ▪ for the performance of specialised services such as drilling, and specialised maintenance; and ▪ for the supply of equipment, infrastructure and parts (including, for example, ventilation assets). Notably, 29Metals has also deployed contract mining at both its operating sites. 29Metals relies on these contractors and suppliers to provide the equipment and human resources to execute the contracted activities. Contractors and suppliers are also subject to labour market pressures (impacting the ability to attract and retain suitably skilled and experienced personnel), supply chain risks (impacting on the availability of equipment) and costs inflation, which exposure contractors and suppliers may seek to pass on to 29Metals, including via contractual *rise and fall* terms.[31] In addition, any renewal on unfavourable terms, or any failure to renew or other early termination, of material contracts (such as the contract mining arrangements at Capricorn Copper which falls due for renewal in 2023) could have an adverse impact on 29Metals' operating and financial performance.

[31] For example, each of 29Metals underground mining services contracts (for Golden Grove and Capricorn Copper, respectively) includes periodic rise and fall terms.

<table>
<tr><th>Material business risk</th><th>Discussion</th></tr>
<tr><td></td><td><u>Customers</u>
29Metals relies on its customers performing their obligations under 29Metals' concentrate offtake arrangements. In the period 2021-2025 (inclusive) the majority of 29Metals' mineral concentrate products are committed to a single contractual counterparty, Trafigura Pte Ltd ('Trafigura').
Any renewal on unfavourable terms, or any failure to renew or other early termination, of 29Metals' concentrate sales contracts could have an adverse impact on 29Metals' operating and financial performance. Further, 29Metals is exposed to credit risk in relation to its customers. If amounts due to 29Metals under its sales contracts are not paid in a timely manner or at all, it may have consequences for 29Metals' cash flow and broader financial position.
In the case of both supply and services contracts, and sales contracts, 29Metals' ability to exercise its contractual rights is subject to the liquidity and financial strength of its counterparties.</td></tr>
<tr><td>Unexpected failure of equipment</td><td>29Metals' mines and associated processing plant and equipment are subject to general risks arising from incidents such as critical mechanical failures, fire, damage via corrosion of aged infrastructure, loss of power supply, failure to meet contractual specifications (including in relation to performance) and difficulties during commissioning. The occurrence of any such incidents could interrupt 29Metals' operations and adversely affect 29Metals operating and financial performance.
The impact of equipment failure is also influenced by the availability and performance of specialised suppliers and contractors to repair or replace damaged equipment, including lead times which have recently trended longer as a result of (among other things) general and specific supply chain constraints resulting from the direct and indirect impacts of COVID-19, as well as 29Metals' ability to exercise its contractual rights (which is subject to the liquidity and financial strength of its counterparties).</td></tr>
<tr><td>Regulatory compliance</td><td>29Metals' business activities are subject to a complex regulatory compliance framework, including regulation covering environmental matters, and health and safety matters. The regulatory requirements vary between the jurisdictions in which 29Metals conducts its business, and are subject to change as a result of a number of factors, including changes in government, changes in government policy and interpretation, and community expectations.
In addition to the financial and reputational consequences of non-compliance, there are material costs associated with the increasingly complex compliance requirements, including compliance costs associated with addressing long term compliance challenges that are a result of long-term mining operations.</td></tr>
<tr><td>Extreme weather events (including as a result of climate change)</td><td>The frequency and severity of extreme weather or natural environmental disasters, such as heavy rainfall and flooding, including as a result of climate change, are difficult to predict.
Extreme weather events may impact 29Metals operations directly or indirectly, adversely impacting the Company's operating and financial performance. For example, access to and from Capricorn Copper is via an unsealed road which can be susceptible to flooding during significant rainfall events during the North Queensland wet season (November to April). In circumstances where safe access via road is prevented by flooding, transportation of mineral concentrates produced at Capricorn Copper is delayed, along with delivery of critical materials, parts and consumables required to maintain normal mining operations.
Extreme or unseasonal weather events may also impact on surface conditions at 29Metals' operating and exploration sites, restricting access or making surface conditions challenging, resulting in delays to or deferrals of surface activities.</td></tr>
<tr><td>Climate Change</td><td>Climate change exposes 29Metals to a range of risks, as well as opportunities associated with the global transition to a greener economy.
Risks to 29Metals as a direct or indirect result of climate change may include:
increases in the frequency or severity of extreme weather events or natural disasters (refer above);
changes to the regulatory environment for 29Metals' business, including the inclusion of climate change considerations in regulatory approvals, and the imposition of tariffs and other imposts on cross border supply chains; and
changes to the availability and accessibility of debt capital and insurance.
Direct impacts of climate change are likely to be geographically specific, and may include one or more of changes in rainfall patterns, drought-induced water shortages, increases in the occurrence and intensity of extreme weather events (including bushfires, storms and floods), and rising temperatures. The occurrence of such events, or an increase in the frequency and severity of such events, could result in damage to 29Metals' mine sites and equipment, interruptions to critical infrastructure such as transport, water and power supply, or loss of productivity, and increased competition for, and the regulation of, limited resources (such as power and water).</td></tr>
<tr><td>First Nations, host communities and other stakeholders</td><td>29Metals' relationships with the community and other stakeholders, including first nations people and regulatory authorities, are critical to the continuation and long-term success of 29Metals' business. Fostering and maintaining a social licence to operate in respect of a mining project is a key component of sustainability & ESG, without which it can be very difficult to, among other things, secure necessary permits or arrange financing.
Although 29Metals is committed to building and maintaining positive relationships with the communities near its mines, it may engage in activities that have, or are perceived to have, adverse impacts on local communities and other stakeholders, cultural heritage, human rights, and the environment.
In addition, 29Metals' current operating assets are mature assets with long operating histories. Perceptions and expectations of stakeholders may change over time, including changes in aspirations and the expectations of local communities with respect to 29Metals' contributions to employee health and safety, infrastructure, community development, and environmental management.
In turn, community and other stakeholder attitudes to 29Metals' business and operations may have an impact on 29Metals' ability to secure and maintain regulatory approvals (refer above).</td></tr>
</table>

Material business risk	Discussion
Cultural heritage	29Metals must ensure that its operations do not interfere with or impact upon identified sites of cultural significance to first nations people. Events at Juukan Gorge in Western Australia, and the proposed amendments to the Aboriginal cultural heritage legislation in Western Australia, has increased the risk to projects associated with Aboriginal heritage and cultural values. New processes and approvals that require significant engagement and preferably agreement with the first nations groups will be required under the new proposed cultural heritage legislation, which will increase the timeframe and cost of project development, and potentially impact ongoing project activities where there is further surface disturbance. 29Metals does not have formal heritage agreements with traditional owners, which means there is no agreed heritage management process for identifying and addressing potential impacts on Aboriginal heritage and managing the impacts of activities on Aboriginal heritage values. However, heritage clearances have been obtained for all areas of disturbance at 29Metals operating sites. In addition, heritage management plans prepared in consultation with traditional owner groups are in place to reduce the risks in relation to activities and heritage sites specifically contemplated by those management plans only.
Geopolitical conditions	29Metals' business may be impacted directly or indirectly by geopolitical factors outside of 29Metals' control. Under 29Metals' mineral concentrate sales arrangements, 29Metals' may be required to deliver concentrate to ports in China which presents risks given ongoing geopolitical tension between Australia and China. For example, there have been instances where it has been reported that certain Chinese state-owned utilities and steel mills had been verbally instructed by China's General Administration of Customs ('CGAC') to stop importing thermal and metallurgical coal from Australia with immediate effect. While the "buyer" under 29Metals' mineral concentrate contracts may elect for one or more shipments of 29Metals' mineral concentrates to be delivered to ports outside of China (such as South Korea), under the relevant offtake agreements 29Metals assumes the risk and the costs for changes in shipment locations. The costs associated with such an occurrence may be material. In a similar way, events in the Ukraine in 2022 had a significant impact on supply chains, including as a result of embargoes implemented by various countries against doing business with Russia and Belarus.
Access to capital and capital management	To maintain operations and meet its growth objectives, 29Metals may, in the future, require access to debt and/or equity capital markets. Access to capital markets may be impacted by the following: ▪ a failure to comply with debt covenants which may give rise to an event of default (absent a waiver from lenders) under the relevant debt facility triggering accelerated payment of drawn amounts under the relevant debt facility; ▪ high levels of indebtedness and other financial commitments, which may restrict the Company's ability to access additional capital or negatively affect the cost of accessing capital; ▪ changes in liquidity in global capital markets which may be impacted by geopolitical events, macroeconomic conditions and policy settings of government and non-government institutions; and changes in the expectations or lending criteria in relation to sustainability & ESG performance (including action on climate change).
Mineral exploration and project development	29Metals aims to grow its production and extend mine-life through its pipeline of organic growth opportunities. The time between discovery of economically viable deposits to commercial production is highly variable and has been extending in recent years as a result of various factors, including capital requirements, changes to regulatory approval requirements (refer above) and the complexity and depth of target deposits. Expansion of existing operations and development of new projects are capital intensive and often involve significant expenditure prior to a final decision to proceed, including significant investment in studies and regulatory approval requirements. The actual costs to expand operations or develop a new project, along with the operating performance once brought into commercial production, may also vary significantly from estimates, reflecting the duration of the period between an estimate and commencing commercial production, and changes in material considerations (for example, changes in market conditions, commodity prices and capital costs) over that period.
Mineral Resources and Ore Reserves estimates	The estimation of Mineral Resources and Ore Reserves is imprecise and involves: ▪ interpretation of geological data obtained through exploration drilling and other exploration activities; ▪ the exercise of technical judgement and material assumptions regarding (among other things) future commodity prices, operating costs, and capital costs, orebody characteristics and metallurgical recovery performance; and ▪ statistical and other analyses. There can be no guarantee that 29Metals' Mineral Resources estimates will be converted to Ore Reserves, or that material included in 29Metals' Ore Reserves estimates will be successfully produced. Nor can there be any guarantee that 29Metals' exploration activities will result in the discovery of new material, or reclassification of material previously discovered, to be included in Mineral Resources and Ore Reserves estimates. In addition, changes in factors outside of 29Metals' control, such as adverse changes to long term forecasts of commodity prices, may result in an adverse change to 29Metals Mineral Resources and Ore Reserves estimates.
Impairment	Assets on 29Metals' balance sheet, including plant and equipment, mine properties, mineral rights, exploration and evaluation, and inventory, and other assets such as deferred tax assets, may be subject to impairment risk. Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves, operating performance (which includes production and sales volumes), and future recoverability. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or cash generating units. In such circumstances, the carrying amount of the assets/cash generating units may be impaired, with the impact recognised in the Consolidated Statement of Comprehensive Income.

<table>
<tr><th>Material business risk</th><th>Discussion</th></tr>
<tr><td>Future rehabilitation liabilities</td><td>29Metals is required to include provisions in its financial statements for future rehabilitation and remediation costs. Estimating the likely quantum of such costs involves making assumptions as to mine life (which, in turn, is influenced by estimates regarding future commodity prices), the extent of disturbance and contamination, and the forecast cost of future rehabilitation and closure activities.
Actual costs of future rehabilitation and closure may vary from those assumed for the purposes of financial reporting. Increases in future rehabilitation and closure costs may impact 29Metals via:
▪ adversely impacting the overall financial position of the Company;
▪ adversely impacting the economic assumptions underpinning Mineral Resources and Ore Reserves estimates, in turn resulting in an adverse revision to estimates which underpin mine life; and
▪ review of the carrying value of 29Metals' assets, which may result in impairment charges.
In certain jurisdictions where 29Metals conducts mining operations now or in the future, such as Queensland where Capricorn Copper is located, 29Metals may be required to provide a surety against future rehabilitation and closure liability, in the form of performance bonds or bank guarantees. The quantum of the surety is determined by the relevant regulatory authority having regard to an assessment of disturbance and contamination, and other criteria determined by the regulatory authority (from time to time).</td></tr>
<tr><td>COVID-19</td><td>The impact of COVID-19 continues to evolve, including as a result of new variants which emerged during the pandemic.
During 2021 and 2022, COVID-19 had a variety of direct and indirect impacts on 29Metals, including increased absenteeism as a result of close contact isolation requirements, border closures limiting workforce movement and supply chain disruption (including extension of lead times for procuring goods and services).
While the direct and indirect impacts of COVID-19 have softened significantly, notably in the second half of 2022, the overhang of COVID-19 related impacts remains to varying degrees, including extended lead times for equipment and infrastructure, and labour market tightness.
In addition, there remains a risk of new variants of COVID-19 which may lead to localised or broader outbreaks. It remains difficult to predict the potential impacts of COVID-19, including as a result of Government responses seeking to mitigate or limit the spread of COVID-19 and its impact on the community.</td></tr>
</table>

DEFINITIONS FOR NON-IFRS FINANCIAL INFORMATION & METRICS

The following definitions apply for non-IFRS financial information metrics cited in this report. These measures are used by 29Metals to assess the performance of the business and make decisions on the allocation of resources and are included in this document to provide additional understanding of the underlying performance of the Group.

Metric	Definition
AISC	is *all-in sustaining costs*, and is calculated as C1 Costs plus royalties cost, corporate costs, sustaining capital and capitalised development costs, but excludes growth capital and exploration. AISC is cited per pound of payable copper sold and in $'000 terms.
C1 Costs	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). C1 Costs is cited per pound of payable copper sold and in $'000 terms.
Cu-eq	is *copper equivalent contained metal*. 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. Cu-eq calculations do not apply adjustments for payability or selling costs which differ between metals and between operating sites. Cu-eq metrics cited in this report apply the following commodity price and metallurgical recovery assumptions: ▪ 2021 Cu-eq production applies actual average metals prices (Source: FactSet) for on a quarterly basis and actual metallurgical recovery. Actual quarterly average prices are: 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 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 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 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 Pb: Q1-21 US$2,017/t, Q2-21: US$2,123/t, Q3-21: US$2,338/t, Q4-21: US$2,327/t ▪ 2022 Cu-eq production applies actual average metals prices (Source: FactSet) on a quarterly basis and actual metallurgical recovery. Actual quarterly average prices are: Cu: Q1-22 US$9,998/t, Q2-22: US$9,538/t, Q3-22: US$7,751/t, Q4-22: US$8,006/t Zn: Q1-22 US$3,758/t, Q2-22: US$3,932/t, Q3-22: US$3,280/t, Q4-22: US$3,002/t Au: Q1-22 US$1,887/oz, Q2-22: US$1,873/oz, Q3-22: US$1,727/oz, Q4-22: US$1,729/oz Ag: Q1-22 US$24.0/oz, Q2-22: US$22.7/oz, Q3-22: US$19.2/oz, Q4-22: US$21.2/oz Pb: Q1-22 US$2,335/t, Q2-22: US$2,206/t, Q3-22: US$1,978/t, Q4-22: US$2,101/t
Drawn Debt	is amounts drawn under Group debt facilities as reported in accordance with Australian Accounting Standards, excluding bank guarantees issued under the Group bank guarantee facility and insurance premium funding.
EBITDA	is 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 D&A. Because it eliminates all gains and losses on forward commodity contracts (copper) and swaps (gold), the non-cash charges for D&A, and unrealised foreign exchange gain or losses, 29Metals considers that EBITDA is useful to help evaluate the operating performance of the business without the impact of those items, and before finance income and finance costs and tax charges, which are significantly affected by the capital structure and historical tax position of 29Metals. Reconciliation of EBITDA to reported NPAT is set out on page 26 of this report.
Net Drawn Debt	is Drawn Debt less cash and cash equivalents (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.
Site Operating Costs	is the sum of mining costs, processing costs and site services costs as shown in 29Metals Cost of Sales. Site Operating Costs are shown net of AASB16 leasing adjustments. Mining costs exclude capitalised mine development costs.
Total Liquidity	is the sum of cash and cash equivalents (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), and funds available to be drawn under 29Metals working capital facility.

Letter from the Chair of the Remuneration & Nominations Committee

Dear Shareholders

On behalf of the Board of Directors, I am pleased to introduce 29Metals' Remuneration Report for 2022. The 2022 Remuneration Report, our second as a listed company, outlines:

- the Board's assessment of performance for 2022, and how that assessment is reflected in remuneration outcomes for the year;
- the changes to 29Metals' remuneration framework implemented in 2022; and
- changes proposed to be implemented in 2023, as we continue to mature our approach to remuneration and reflect feedback from investors and other stakeholders.

2022 year in review

2022 was a challenging year for 29Metals, set against a difficult backdrop across the sector and much of the Australian economy characterised by:

- the continuing direct and indirect impacts of COVID-19, including supply chain disruption and absenteeism, particularly in the first half of the year;
- an extremely tight labour market (particularly in Western Australia); and
- macroeconomic factors, notably a resurgence of inflation.

In many respects, these external factors were anticipated, however, the persistence and scale of these factors exceeded expectations.

Against this backdrop, 29Metals delivered notable successes in 2022:

- production was within guidance for all metals, albeit, in the lower half of guidance for copper and zinc;
- costs and capital were well managed and within guidance, despite inflationary pressures which escalated in the second half of the year;
- we continued to advance the Company's pipeline of organic growth opportunities, including continued success with the drill bit at Cervantes at Golden Grove and Esperanza South at Capricorn Copper, and the release of the study results for Gossan Valley and Cervantes at Golden Grove; and
- we delivered our first dividend to shareholders.

During the year we also launched important initiatives to fast track and mature 29Metals' strategy and business priorities, with the release of the 29Metals *Our Approach to Sustainability & ESG*, our roadmap to reporting aligned to the recommendations of the Taskforce for Climate-related Financial Disclosures, and the commencement of studies looking to unlock the cobalt opportunity at Capricorn Copper and extend 29Metals' reach into the metals critical to the global energy transition.

Against a challenging backdrop, none of these successes could have been achieved without the dedication and hard work of the team at 29Metals, and our contractor partners.

2022 remuneration outcomes

It is important not to diminish the successes of 2022, or the efforts of the team in challenging circumstances. Nevertheless, the Board recognises that performance has to be considered on a holistic basis. Viewed against the shareholder value outcomes that the Board and Management planned to deliver in 2022, performance in 2022 was not at the level expected.

The Board and Executive team were unanimous that the overall performance should be reflected in remuneration outcomes for 2022. Accordingly, short term incentive outcomes were adjusted down materially relative to the target performance set for the year and changes. In addition, when conducting the Company's annual performance and remuneration reviews mid-year, increases for executive KMPs were modest.

Further enhancements to remuneration framework in 2023

In 2023, our third year as a listed company, 29Metals will continue to refine and mature its approach to remuneration. We will strengthen and extend the link between remuneration outcomes and Sustainability & ESG performance from the long-term incentive (implemented in 2022) to the short-term incentive. Through this change, prioritised Sustainability & ESG performance outcomes – covering health and safety, inclusion and diversity, responsible environmental stewardship (including continued progress on our TCFD Roadmap) and partnering with our stakeholders (including local communities and First Nations people) – will have a direct impact on remuneration outcomes for 2023.

We welcome feedback from shareholders on this Remuneration Report and our approach to KMP remuneration, and we thank all our shareholders for their continuing support.

Yours sincerely,

Martin Alciaturi
Independent Non-executive Director

Chair, Remuneration & Nominations Committee

Remuneration Report

Section	Description	Page
Section 1 Introduction	Section 1 introduces the Remuneration Report and 29Metals' Key Management Personnel (or 'KMPs') covered in the report	39
Section 2 2022 Remuneration snapshot	Section 2 provides an overview of remuneration outcomes for KMPs for the Reporting Period	40
Section 3 Overview of KMP remuneration at 29Metals	Section 3 provides an overview of 29Metals' approach to remuneration, including governance, changes to the 29Metals' remuneration arrangements for KMPs proposed to be implemented in 2023, and the terms of executive services arrangements	42
Section 4 Executive KMP remuneration outcomes for 2022	Section 4 outlines the remuneration outcomes for executive KMPs for 2022, including details of the '*take-home pay*' for KMPs, and performance-based remuneration outcomes and details of performance rights awarded to executive KMPs (including fair value calculations for accounting purposes)	47
Section 5 Non-executive Director remuneration	Section 5 outlines the structure of remuneration for Non-executive Directors, including Board and Committee fees, and the operation of the NED Salary Sacrifice Share Plan	55
Section 6 KMP equity interests	Section 6 outlines 29Metals' minimum shareholding policy for KMPs and the interests in 29Metals securities held by KMPs, including interests awarded to executive KMPs under performance-based remuneration arrangements	57
Section 7 Other KMP transactions	Section 7 outlines details of any other transactions between 29Metals and KMPs	58
Section 8 Statutory remuneration tables	Section 8 sets out the statutory remuneration reporting tables	59
Additional information	Additional information regarding remuneration arrangements involving KMPs in the period 1 January to 2 July 2021 (i.e., prior to commencement of the Reporting Period for the 2021 Remuneration Report). This information was provided in the 2021 Remuneration Report and is included again in this report	61

1. Introduction

This is the Remuneration Report for 29Metals Limited ('**29Metals**' or, the '**Company**') detailing the remuneration arrangements for 29Metals' key management personnel ('**KMPs**').

The Remuneration Report covers the period commencing on 1 January 2022 and ending 31 December 2022 (the '**Reporting Period**').

The comparative remuneration information included in this Remuneration Report covers the period 2 July 2021 (being the date on which 29Metals listed on the ASX and became a *disclosing entity* for the purposes of the Corporations Act) and 31 December 2021. Remuneration information for this period was reported in 29Metals' 2021 Remuneration Report.[32]

29Metals' 2021 Remuneration Report is included in the 29Metals Annual Financial Report for the year ended 31 December 2021 which is available at https://www.29metals.com/reports-presentations.

This Remuneration Report forms part of the Directors' Report for 29Metals and its controlled entities (together, the '**Group**') for the year ended 31 December 2022 and has been audited in accordance with section 300A of the Corporations Act (except as otherwise stated).

1.1 Key Management Personnel

29Metals' KMPs for the Reporting Period, being those persons who had authority for planning, directing and controlling the activities of the Group during the Reporting Period, are set out in the table below.

Name	Position	Period as KMP
Non-executive Directors[1]		
Owen Hegarty OAM	*Chair, Non-executive Director*	Entire Reporting Period
Fiona Robertson	*Independent Non-executive Director*	Entire Reporting Period
Jacqui McGill AO	*Independent Non-executive Director*	Entire Reporting Period
Martin Alciaturi	*Independent Non-executive Director*	Entire Reporting Period
Executive Directors		
Peter Albert[1]	*Managing Director & CEO*	Entire Reporting Period
Other Executives		
Ed Cooney	*Chief Operating Officer*	Entire Reporting Period
Peter Herbert	*Chief Financial Officer*	Entire Reporting Period
Clifford Tuck[2]	*Chief Governance & Legal Officer*	Entire Reporting Period

1. Each of the Directors, including the Managing Director & CEO, was appointed as a director of 29Metals on 27 May 2021. 29Metals' remuneration arrangements for Directors commenced on and from 2 July 2021.
2. Appointed Company Secretary on 27 May 2021. 29Metals' remuneration arrangements for Mr Tuck commenced on and from 2 July 2021 in the role of General Counsel & Company Secretary. In February 2022, Mr Tuck's responsibilities were expanded to include sustainability matters and his title was changed to Chief Governance & Legal Officer.

Information regarding the Directors, including professional history and special responsibilities, is set out in the Directors' Report from page 6.

[32] 29Metals' 2021 Remuneration Report included additional voluntary disclosures regarding remuneration arrangements for KMPs (as applicable) that applied in the period 1 January to 2 July 2021, prior to commencement of the reporting period for the 2021 Remuneration Report. These disclosures were included to provide investors with additional transparency regarding the pre-IPO remuneration arrangements and have been included again in this Remuneration Report. Refer to *Additional information* at the end of this report.

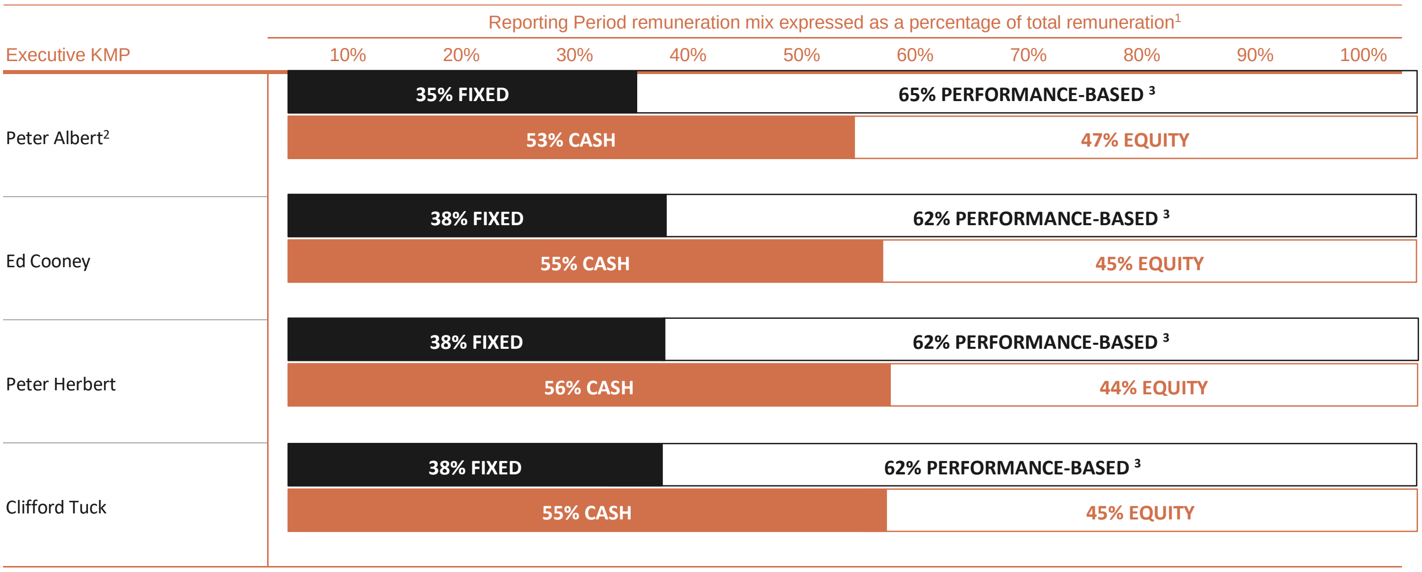
2. 2022 Remuneration snapshot

2.1 Summary of KMP remuneration outcomes for Reporting Period

TFR	No changes to Non-executive Director remuneration TFR for executives, including the Managing Director & CEO, was reviewed as part of the Company's annual remuneration review process. Following that review, TFR was increased by 3-4 % for executive KMPs, with effect on and from 1 July 2022 Refer to sections 2.2, 3.3 and 4.1 of this Report for further information regarding fixed remuneration.
STI	STI award outcome of 85% of target for executive KMPs, to be delivered as a combination of: ▪ cash (Managing Director & CEO: 60%, other executives: 70%); and ▪ equity in the form of performance rights (Managing Director & CEO: 40%, other executives: 30%) Refer to sections 2.2, 3.3, 4.3 and 4.8 for further information regarding the STI.
LTI	Award of performance rights[1] to Mr Albert (Managing Director & CEO) under the 2021 LTI[2] Award of performance rights[1] to all executive KMPs, including Mr Albert [3], under the 2022 LTI Refer to sections 2.2, 3.3, 4.4 and 4.8 for further information regarding the LTI.
One-off IPO-related benefits	During the Reporting Period, the first tranche of performance rights awarded to executive KMPs under the Staff Offer Incentive vested, resulting in the issue of ordinary shares (on a one-for-one basis) The second and final tranche of performance rights awarded to executive KMPs under the Staff Offer Incentive vest in 2023 Refer to sections 2.2, 4.5, 4.6 and 4.8 for further information regarding the LTI.

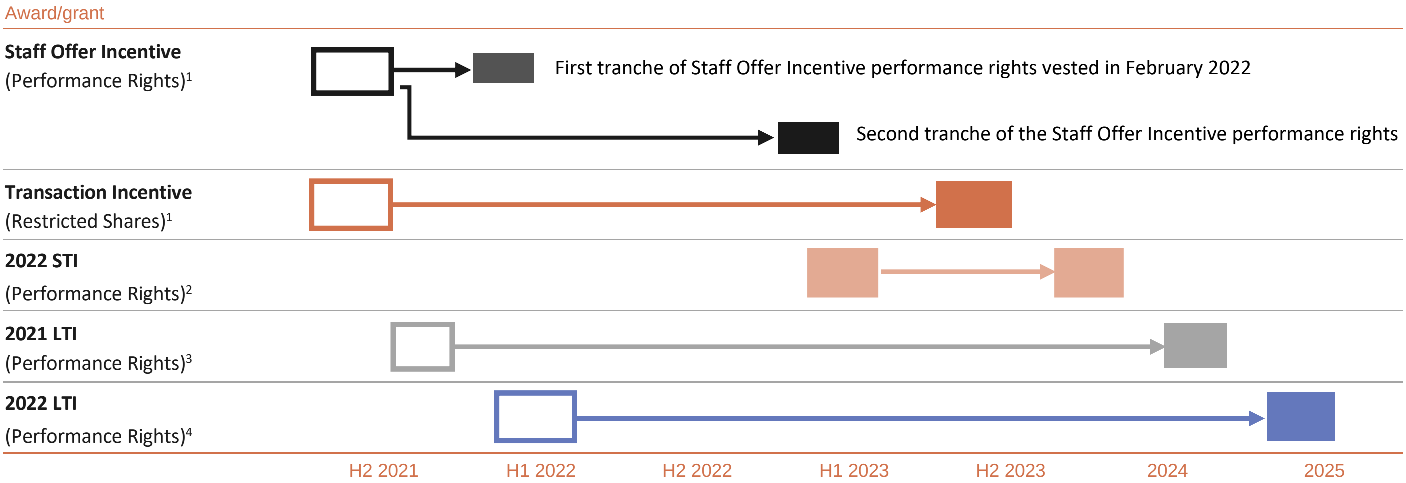
1. All performance rights awarded to executive KMPs in 2022 are unvested as at the date of this Remuneration Report.
2. The award of 182,926 performance rights to Mr Albert under the 2021 LTI was approved by shareholders under ASX Listing Rule 10.14 at the Company's 2022 AGM.
3. The award of 328,467 performance rights to Mr Albert under the 2022 LTI was approved by shareholders under ASX Listing Rule 10.14 at the Company's 2022 AGM.

The remuneration outcomes 'mix' for executive KMPs in the Reporting Period is summarised below.



1. Subject to rounding. For the purposes of presenting remuneration delivered in the form of performance rights, the nominal cash value of the award at the time of award has been applied. Remuneration outcomes presented are subject to rounding.
2. The remuneration outcomes mix for Mr Albert (Managing Director & CEO) for 2022:
   - excludes the award of performance rights to Mr Albert under the 2021 LTI, which award was subject to shareholder approval obtained at the Company's 2022 AGM; and
   - includes the proposed award of performance rights to Mr Albert under the 2022 STI, which award is subject to shareholder approval to be sought at the Company's 2023 AGM.
3. The percentage of performance-based remuneration on a statutory basis is set out in section 8 of this Remuneration Report. Performance-based remuneration shown:
   - includes awards of equity (in the form of performance rights) that were unvested at 31 December 2022 and applies nominal face value at the time of award; and
   - excludes one-off incentives awarded in 2021 in connection with the 29Metals IPO.

The horizons for equity awards to executive KMPs during the Reporting Period and the respective vesting horizons, along with equity awards from prior periods that remained on foot during the Reporting Period, are summarised below.



Size of boxes in chart is intended to represent the relative size of the respective awards (assessed at the time of the relevant award) on an illustrative basis. Chart assumes full vesting (where applicable) of awards of performance rights.

1. One-off remuneration component in connection with the 29Metals IPO. Restricted Shares issued to eligible KMPs are subject to a two-year holding lock expiring on 2 July 2023. Refer to 2021 Remuneration Report for further information regarding the Restricted Shares awarded to eligible executives in 2021.
2. Relates to the portion of the 2022 STI award delivered to executive KMPs in the form of performance rights. Refer to section 4.3 for further information regarding the 2022 STI outcomes and the portion of the 2022 STI outcome for executive KMPs that was delivered in the form of Performance Rights. Further information regarding the Company's Equity Incentive Plan Rules that govern performance rights awarded under the LTI is set out in section 3.4.
3. Refer to 2021 Remuneration Report for information regarding the vesting conditions that apply to the 2021 LTI award. Further information regarding the Company's Equity Incentive Plan Rules that govern performance rights awarded under the LTI is set out in section 3.4.
4. Refer to section 4.4 for further information regarding the 2022 LTI award to executive KMPs, including information regarding the vesting conditions.

2.2 'Take home' KMP remuneration for Reporting Period

The table below is included on a voluntary basis to show the payments and other benefits realised by KMPs in the Reporting Period. This information is provided in addition to, and not as a substitute for, the statutory remuneration reporting information set out in section 8 of this Remuneration Report (prepared in accordance with the Corporations Act and applicable accounting standards).

KMP	TFR[1]	STI[2]	Other benefits[3]	Vesting outcomes[4]	Termination benefits[5]	Total
Non-executive Directors						
Owen Hegarty OAM	$250,000[6]	N/a	-	N/a	-	$250,000
Fiona Robertson	$210,000[7]	N/a	-	N/a	-	$210,000
Jacqui McGill AO	$215,000[7]	N/a	-	N/a	-	$215,000
Martin Alciaturi	$195,000[7]	N/a	-	N/a	-	$195,000
Executive Directors						
Peter Albert	$913,500	$472,770	-	$60,750	-	$1,447,020
Other executive KMPs						
Ed Cooney	$528,815	$239,471	-	$35,168	-	$803,454
Peter Herbert	$536,365[8]	$241,796	-	$35,168	-	$813,329
Clifford Tuck	$530,118	$240,634	-	$35,168	-	$805,920

1. TFR paid to the KMP during the Reporting Period. In the case of Non-executive Directors, TFR cited is the aggregate of Director's fees and Committee fees (and other payments, as applicable) to Non-executive Directors during the Reporting Period. Refer to section 5 for further information regarding payments to Non-executive Directors.
2. 2022 STI outcomes for executive KMPs will be delivered as a combination of cash and equity (in the form of Performance Rights) and is expected to be delivered in March 2023. Figures included in the table above reflect the cash component of the 2022 STI award which is expected to be remitted to executive KMPs in March 2023. Refer to section 4.3 for further information regarding the 2022 STI outcomes.
3. Cash payments in relation to allowances for relocation costs, travel costs, non-monetary benefits such as parking, insurance and applicable fringe benefits tax, as applicable, but excluding reimbursement of business expenses in the ordinary course.
4. Represents the cash value for performance rights awarded under the Company's performance-based remuneration components that vested during the Reporting Period, applying the closing price for 29Metals shares on the applicable vesting date. Refer to sections 4.8 and 6.3 for further information regarding performance rights awarded to executive KMPs that vested during the Reporting Period.
5. Termination payments (excluding superannuation) paid to executive KMPs on cessation of employment (if applicable).
6. Owen Hegarty is a nominee director for the EMR Capital Investors. Mr Hegarty's Director's fees are paid to EMR Capital. Refer to section 5 for further information.

7. Fees paid to Ms Robertson, Ms McGill and Mr Alciaturi include $22,856.06 (cash value, subject to rounding) which was applied to acquire new 29Metals shares issued under the Non-executive Director Salary Sacrifice Share Plan (the '**NED Share Plan**'). Refer to section 5.5 for further information regarding the NED Share Plan and information regarding the shares issued to Directors under the NED Share Plan during the Reporting Period.
8. TFR for Mr Herbert for the Reporting Period includes a temporary increase in TFR for a period during which Mr Herbert was acting Chief Executive Officer while Mr Albert was on annual leave. The aggregate incremental TFR for the relevant period was $4,945 (inclusive of superannuation).

2.3 COVID-19

No changes to the 29Metals KMP remuneration framework were implemented as a direct result of the impact of COVID-19 during the Reporting Period.

However, consistent with 2021, the Board and Management continued to implement strategies during the Reporting Period to mitigate the impact of labour market challenges that were contributed to, at least in part, by the impact of border closures and other Government-mandated actions in response to COVID-19. The strategies applied in the Reporting Period did not apply to KMPs.

3. Overview of KMP remuneration at 29Metals

3.1 Remuneration governance

The Board has ultimate responsibility for making decisions regarding 29Metals' approach to remuneration and remuneration outcomes.

The Remuneration & Nominations Committee assists the Board to discharge its responsibilities in relation to remuneration matters, providing advice and recommendations to the Board in relation to (among other things):

- the Group's remuneration strategy and framework;
- the Group's systems and processes for assessing people performance, and for attracting and retaining a diverse and highly skilled workforce;
- the Group's policies and strategies for developing the workforce and promoting a culture which reflects the Company's Values;
- performance measures to be applied in the Group's performance-based remuneration components, as well as assessing the performance against those measures;
- executive and Board succession planning; and
- nominations to the Board.

An overview of the role of Management, the Remuneration & Nominations Committee and the Board in relation to KMP remuneration is shown below.

Board

- **Approves** the Group's remuneration strategy and framework
- **Approves** fees paid to Non-executive Directors within the Shareholder approved remuneration fee pool
- **Approves** the NED Share Plan (subject to applicable shareholder approvals)
- **Approves** remuneration outcomes for the Managing Director & CEO
- **Endorses** the remuneration outcomes of other executive KMPs
- **Approves** Company performance metrics for the Group's performance-based remuneration components, assesses and **Approves** performance-based remuneration outcomes for executive KMPs
- **Recommends** remuneration-related resolutions to Shareholders where required under the Corporations Act and ASX Listing Rules

Remuneration & Nominations Committee

- **Recommendations** to the Board
- **Oversees** Management's implementation of the remuneration strategy and framework
- **Reviews** remuneration paid to the Managing Director & CEO, including assessment of performance-based remuneration
- **Reviews** other executive KMP remuneration (including performance-based remuneration outcomes), as recommended by the Managing Director & CEO
- **Reviews** fees paid to Non-executive Directors including Committee membership fees
- Engages **remuneration advisors** to obtain expert advice including benchmarking of KMP remuneration (where required and as applicable)

Management

- **Implements** the Board approved remuneration strategy and framework
- **Managing Director & CEO** assesses and approves other executive KMP remuneration outcomes, subject to endorsement by the Committee and Board
- **Reports** to the Committee on outcomes against performance metrics (as approved by the Board)

The Remuneration & Nominations Committee has three members, the majority of whom are independent NEDs. The Chair of the Remuneration & Nominations Committee is an independent NED. Information regarding the members of the Remuneration & Nominations Committee is set out in the Directors' Report from page 6.

Further information regarding the role of the Board and the Remuneration & Nominations Committee is set out the Board and Committee Charters, copies of which are available at: https://www.29metals.com/about/corporate-governance.

The Remuneration & Nominations Committee has access to adequate internal and external resources, including obtaining advice from external remuneration advisors or consultants, as the Committee considers necessary or desirable to fulfil its role. Where the Remuneration & Nominations Committee obtains remuneration recommendations from external remuneration advisers or consultants, the Committee does so independent of Management.

No remuneration recommendations were commissioned or provided during the Reporting Period.

3.2 Remuneration strategy

The key objectives of 29Metals' remuneration strategy are to:

- attract and retain talented, high performing personnel, including KMPs;
- ensure that remuneration outcomes encourage high performance and reward performance that is consistent with 29Metals' Values and culture; and
- ensure that remuneration outcomes are aligned to shareholder value.

To achieve these objectives, 29Metals applies the following remuneration principles:

- TFR is set at a competitive level, having regard to the role scope, skills, experience and qualifications, performance, and general and targeted remuneration benchmarking (as applicable);
- all employees have a performance-based (or '*at risk*') remuneration component;
- the proportion of performance-based remuneration increases with seniority, reflecting increasing capacity to influence Company performance;
- for more senior roles, performance-based remuneration is delivered as a combination of cash and non-cash rewards, in the form of equity-based remuneration, to align remuneration outcomes with shareholder value; and
- all performance-based remuneration is subject to clawback mechanisms and malus provisions.

3.3 Structure of remuneration framework for executive KMPs

Executive KMP remuneration is delivered as a combination of fixed and performance-based remuneration components. The target mix of remuneration for executive KMPs is:

- greater than 50% of total remuneration outcomes is performance-based or '*at risk*'; and
- 45-60% of total remuneration outcomes delivered in the form of equity.

An overview of the components of the remuneration framework for executive KMPs is set out below.

Component	Form	Description
Fixed		
Total fixed remuneration ('**TFR**')	Cash	TFR consists of base salary, superannuation and other non-monetary benefits and is set at a level intended to reflect: ▪ the scope of the executive role; ▪ skills, experience, and qualifications; and ▪ individual performance. When setting (and reviewing) TFR for executive KMPs, the Board has regard to comparable roles in companies of a scale and complexity, and engaged in an industry, similar to 29Metals. Annual TFR for executive KMPs, as at the end of the Reporting Period, is set out below. Executive KMP — Annual TFR Peter Albert — $927,000 Ed Cooney — $536,630 Peter Herbert — $541,840 Clifford Tuck — $539,235 Annual TFR for executive KMPs is reviewed annually (typically in July), as part of the Group's annual performance and salary review process. The annual TFR cited for each executive KMP (above), applied from 1 July 2022, following the 2022 Group-wide remuneration review, which resulted in an increase in annual TFR for executive KMPs of 3-4%.

Component	Form	Description
Performance-based		
Short term incentive ('**STI**')	Combination of cash and equity	The STI is a performance-based remuneration component for executive KMPs, intended to align total remuneration outcomes for executive KMPs with Company performance. STI awards are at the discretion of the Board. Each executive KMP, including the Managing Director & CEO, is eligible to participate in the STI. The STI focuses on performance in a single year, and awards under the STI are determined by the Board based on an assessment of performance against specific performance metrics (or '**KPIs**') set at the beginning of the relevant STI period. For executive KMPs, the KPIs are Company performance metrics ('**Company KPIs**'). The STI opportunity for executive KMPs prescribes STI outcomes for '*threshold*', '*at target*' and '*stretch*'. The STI opportunity is expressed as a percentage of TFR. Threshold and stretch STI opportunity is set at 80% and 120% of the target STI opportunity (respectively). The '*at target*' STI opportunity to executive KMPs for 2022 is set out in section 4.3. Following the end of the relevant performance period, the Board assesses performance against the Company KPI's set by the Board. In addition to the Company KPIs, STI awards are subject to an overarching Board discretion, including consideration of threshold or '*gating*' conditions such as serious safety or environmental incidents. The Board considers that this approach is most efficient and results in the most appropriate outcomes. For 2022, STI outcomes are to be delivered to executive KMPs as a combination of cash and equity (*in the prior corresponding period, STI outcomes for executive KMPs were delivered wholly in cash). The equity component is in the form of an award of performance rights under the Company's Equity Incentive Plan Rules. Performance rights awarded to executive KMPs for the 2022 STI are subject to a condition of continuing service (unless the Board determines otherwise – e.g., "*good leaver*") and, upon vesting, each performance right converts to one fully paid 29Metals share with a nil exercise price. The number of performance rights awarded to executive KMPs is determined by dividing the cash value of the equity component of the 2022 STI award by the *volume weighted average price* (or '**VWAP**') for 29Metals shares over a period determined by the Board at the time of the award. Awards of performance rights to the Managing Director & CEO under the STI are subject to shareholder approval. All STI awards to executive KMPs are subject to a claw back mechanism and malus provisions. Further information regarding the 2022 STI KPIs that applied to executive KMPs and the 2022 STI outcomes for executive KMPs is set out in section 4.3. Further information regarding the Company's Equity Incentive Plan Rules is set out in section 3.4.
Long term incentive ('**LTI**')	Equity	The LTI is a performance-based executive remuneration component, intended to align total remuneration outcomes for executive KMPs with longer term Company performance and shareholder value. Each executive KMP, including the Managing Director & CEO, is eligible to participate in the LTI. LTI awards are at the discretion of the Board and involve the award of performance rights under the Company's Equity Incentive Plan Rules to eligible LTI participants. Upon vesting, each performance right converts to one fully paid 29Metals share with a nil exercise price. Unless the Board determines otherwise, performance rights awarded under the LTI are subject to a three-year vesting period and performance against vesting conditions set by the Board at the time of award which is tested at the end of the vesting period. Vesting of LTI performance rights is also subject to continuity of service (unless the Board determines otherwise – e.g., "good leaver"). The number of performance rights awarded to executive KMPs is determined by dividing the LTI opportunity value (i.e., the applicable percentage of TFR) by the VWAP for 29Metals shares over a period determined by the Board at the time of the award. Awards of performance rights to the MD & CEO under the LTI are subject to shareholder approval. All LTI awards to executive KMPs are subject to a claw back mechanism and malus provisions. Further information regarding awards to executive KMPs under the 2022 LTI, including the vesting performance conditions, is set out in section 4.4. Further information regarding the Company's Equity Incentive Plan Rules is set out in section 3.4.

3.4 Overview of Equity Incentive Plan Rules

Performance rights awarded to executive KMPs as part of the Company's performance-based remuneration components are awarded under the Company's Equity Incentive Plan Rules (the '**Plan Rules**'). The terms of each award are set out in:

- the terms of the award (e.g., vesting conditions) which are set out in a letter to eligible participants inviting eligible participants to participate in the award; and
- the Plan Rules.

The following table summarises the key terms of the Plan Rules, including what happens to unvested performance rights in the event of cessation of employment or a change of control.

Key terms	Description
Eligibility	An employee of the Group, Director, contractor or prospective employee of the Group, or other person the Board in its discretion determines to be eligible to participate in the Plan.
Award	The Plan Rules permit the Board to grant one or more types of awards, including performance rights, restricted shares, shares and options.
Vesting	A performance right or option which has not lapsed shall vest if and when any conditions applicable to the performance right or option have been satisfied or waived by the Board at its discretion. A share which has not been forfeited shall vest if and when any conditions applicable to the share have been satisfied, or waived by the Board at its discretion, although a vested share may remain subject to dealing restrictions.
Exercise	A performance right or option will only vest or be exercised by a participant once the Board has notified the participant that the applicable award conditions have been satisfied or waived.
Restrictions on dealing	The Board may determine at its discretion whether dealing restrictions or restriction periods will apply to any shares, or, for performance rights or options, that shares allocated or transferred on exercise are restricted shares or subject to restriction periods.
Cessation of employment	Under the Plan Rules, the Board has discretion to determine, subject to compliance with applicable law, the treatment of an award if a participant ceases to be employed within the Group prior to the vesting or exercise of an award.
Change of control	If there is a change of control prior to the vesting and exercise of an award, the Board may determine in its absolute discretion, whether some or all of the awards vest, lapse or are forfeited, remain on foot subject to the applicable, substitute or varied conditions or dealing restrictions, or can only be exercised within a specific period, and the Board will have regard to any matter the Board considers relevant. Where the Board does not exercise its discretion and a change of control occurs then, unless the Board determines otherwise: ▪ any unvested award with a remaining vesting period of 12 months or less will vest; ▪ any unvested award with a remaining vesting period of more than 12 months will vest pro rata based on the proportion of the performance period that has passed; ▪ an award subject to dealing restrictions will no longer be subject to dealing restrictions; and ▪ where the change of control occurs during the period an award is exercisable, the award may only be exercised during the period specified by the Board.
Rights of shares granted under the Plan Rules	Unless the Board determines otherwise, all shares allotted and issued or transferred under the Plan Rules will rank equally in all respects with other shares already on issue.
Clawback	Where the Board is of the opinion that a participant under the Plan has acted fraudulently or dishonestly, is in breach of any of that participant's duties or obligations or has acted in a way that could reasonably be regarded to have contributed to material reputational damage to a member of the Group, or any other events specified in the Plan Rules have occurred, the Board may, at its discretion, determine any treatment in relation an award (including by reducing or extinguishing a participant's entitlement to an award).
Lapse of performance rights, restricted shares or options	Unless the Board determines otherwise, a share, performance right or option will be forfeited or lapse on the earliest of: ▪ the date that the Board determines that any condition in respect of the share, option or performance right cannot be satisfied; ▪ the share, option or performance right being forfeited or lapsing in accordance with the cessation of employment provision; ▪ the share, option or performance right being forfeited or lapsing in accordance with the clawback provisions; ▪ the share, option or performance right being forfeited or lapsing in accordance with change of control provisions; ▪ the participant purporting to deal or enter into any arrangement in respect of the option or performance Right in breach of the provisions under the Plan relating to rights and restrictions attached to options or performance rights; or ▪ in the case of options or performance rights, the date falling 15 years from the date on which they were granted.

Details of performance rights awards to executive KMPs under the Equity Incentive Plan Rules, including the fair value applied to the award for accounting purposes, is set out in section 4.8.

3.5 One-off remuneration components in the Reporting Period

No "*one-off*" remuneration outcomes for executive KMPs were implemented during the Reporting Period. However, the first tranche of performance rights awarded to all 29Metals staff in 2021 in connection with the 29Metals IPO, vested during the Reporting Period.

Further information regarding these non-recurring remuneration components for executive KMPs is set out in section 4.6 of this Remuneration Report and section 4.5 of the Company's 2021 Remuneration Report.

3.6 Changes to KMP remuneration in 2023

In 2023, 29Metals will continue to mature its remuneration framework in line with the expectations of investors and other external stakeholders by expanding the link between executive KMP remuneration outcomes and the Company's Sustainability & ESG performance.

The first link between executive KMP remuneration outcomes and the Company's Sustainability & ESG performance was implemented in 2022. Under the terms of the LTI award for 2022, one of the award vesting conditions included the development and implementation of the Company's roadmap for reporting aligned to the *Taskforce for Climate-related Financial Disclosures* recommendation ('**TCFD Roadmap**').

Further information regarding the 2022 LTI award to executive KMPs, including the TCFD Roadmap vesting condition, is set out in section 4.4.

For 2023, the Board is expanding the link between executive KMP remuneration and the Company's Sustainability & ESG performance by including a Sustainability & ESG performance metric in the STI performance measures (the Company KPIs). Sustainability & ESG performance will account for 30% of 2023 STI outcomes, as assessed by the Board.

The Sustainability & ESG performance measures included in the 2023 STI will cover each dimension of 29Metals' *Our Approach to Sustainability & ESG* which was launched with 29Metals' 2021 Annual Report (refer to infographic to right), and comprises specific performance targets for:

- safety and inclusion;
- responsible environmental stewardship; and
- partnering with stakeholders.

Performance measures relating to safety will continue to feature prominently, now with the addition of performance measures for the other dimensions of 29Metals' *Our Approach to Sustainability & ESG*. The Sustainability & ESG performance measures will specifically target safety performance, as previously, reflecting 29Metals' *safety-first* value, and will be combined with other Sustainability & ESG performance areas.

3.7. Executive services agreements

Each of 29Metals' executive KMPs, including the Managing Director & CEO, is employed under an Executive Service Agreement ('**ESA**'). The key terms of the ESAs are summarised below.

Key term	Managing Director & CEO	Other executive KMPs
Term	Open term, subject to termination by the Company or the executive (refer to notice periods, below)	Open term, subject to termination by the Company or the executive (refer to notice periods, below)
Total Fixed Remuneration ('TFR')	Refer to table in section 4.1 ***Note**, The Managing Director & CEO does not receive Director's fees	Refer to table in section 4.1
Short Term Incentive ('STI')[2]	Eligible to participate in the STI. STI award outcomes for the Managing Director & CEO are determined by the Board and assessed against Company performance metrics set by the Board	Eligible to participate in the STI. STI award outcomes are determined by the Managing Director & CEO, and endorsed by the Board, following an assessment of performance against company performance metrics set by the Board
Long Term Incentive ('LTI')	100% of TFR in the form of performance rights[1]	80% of TFR in the form of performance rights
Notice Periods	By the Managing Director & CEO on six months' notice or by the Company on 12 months' notice Employment may be terminated by the Company without notice in circumstances including material breach and serious misconduct	After 2 July 2022 (being the anniversary of the 29Metals listing date), by the relevant executive on three months' notice or by the Company on six months' notice Employment may be terminated by the Company without notice in circumstances including material breach and serious misconduct

1. Any award of performance rights to the Managing Director & CEO is subject to shareholder approval in accordance with the ASX Listing Rules.
2. The STI is a performance-based, discretionary component of the 29Metals' remuneration framework. As noted elsewhere in this Remuneration Report, from 2022 the Board has determined that STI outcomes will be delivered to executive KMPs as a combination of cash and equity (in the form of performance rights). Refer to sections 3.3 and 4.3 for further information.

4. Executive KMP remuneration outcomes for 2022

4.1 Fixed Remuneration for Executive KMPs for the Reporting Period

Executive KMP	TFR **paid** in Reporting Period
Peter Albert	$913,500
Ed Cooney	$528,815
Peter Herbert[1]	$536,365
Clifford Tuck	$530,118

1. TFR for Mr Herbert for the Reporting Period includes a temporary increase in TFR for a period during which Mr Herbert was acting Chief Executive Officer while Mr Albert was on annual leave. The aggregate incremental TFR for the relevant period was $4,945 (inclusive of superannuation).

During the Reporting Period the annual performance and remuneration review for all staff (including executive KMPs) was completed. For the purposes of that review for executive KMPs the Board had regard to (among other things):

- prevailing competitive landscape for leadership roles in listed mining companies;
- the areas of executive accountability for each executive KMP, including changes to executive accountabilities during the Reporting Period;
- published comparative data for executive remuneration;
- the performance of the Company in the preceding 12-months, and the performance expectations for the succeeding 12-months; and
- the personal performance of each executive KMP (respectively).

Following that review, the Board approved an increase in the TFR for executive KMPs ranging between 3% and 4%, effective 1 July 2022. The TFR increase for Mr Albert (Managing Director & CEO) was 3%.

4.2 Group Performance

The table below sets out 29Metals performance against key operating and financial metrics for 2022, as well as the prior corresponding period (2021) on a pro forma basis (and, where applicable, on a statutory basis).

29Metals was incorporated and registered on 27 May 2021 and was admitted to the official list of the ASX on 2 July 2021. As a result, comparative data for prior periods is limited to 2021. In addition, as 29Metals was incorporated and registered mid-2021, the data for the comparative period (2021) includes pro forma information which comprises the operating and financial performance of the Group as if 29Metals had been formed and owned the Group on and from 1 January 2021.

Further information regarding pro forma financial information for 29Metals for the 12-months ending 31 December 2021 is set out in 29Metals' Annual Financial Report for the year ended 31 December 2021, a copy of which is available at: https://www.29metals.com/investors/reports-presentations.

Company performance metric	Unit	2021 Pro forma[1]	2021 Statutory[2]	2022[3]
Safety (TRIFR)[4]	/mwhrs	12.1	N/a	**9.8**
Production[5]				
Copper	kt	40.7	30.6	**40.8**
Zinc	kt	47.8	47.8	**57.6**
Gold	koz	35.8	35.8	**26.6**
Silver	koz	1,766	1,641	**1,565**
Cu-eq[6]	kt	68.2	57.8	**73.4**
Costs				
AISC[7]	US$/lb	3.41	n/a	**3.64**
Revenue[8]	$ million	709.6	600.8	**720.7**
EBITDA[9]	$ million	254.0	177.2	**151.6**
NPAT / (NLAT)	$ million	26.4	121.0	**(47.2)**
EPS[10]	cents/share	N/a	48.5	**(9.8)**
Dividends	cents/share	0.0	0.0	**2.0**
Share Price	$/share	3.07[11]	3.07[11]	**1.91[11]**

1. Except as otherwise stated, *2021 Pro forma* data is derived from the Pro forma results set out in Part B of the *Operating and Financial Review* in 29Metals' Directors' Report for the 12 months ended 31 December 2021 (as published in 29Metals' Appendix 4E and Annual Financial Report dated 22 February 2022). *2021 Pro forma* data is non-IFRS financial information. Refer to important information on page 17 regarding the use of non-IFRS financial information in this report. Non-IFRS financial information in this report is unaudited.
2. Except as otherwise stated, *2021 Statutory Results* data has been derived from the statutory results set out in Part A of the *Operating and Financial Review* in 29Metals' Directors' Report for the 12 months ended 31 December 2021 (as published in 29Metals' Appendix 4E and Annual Financial Report dated 22 February 2022).
3. Refer to the *Operating and Financial Review* from page 13 of the Directors' Report for further information regarding 2022 operating and financial performance metrics.
4. TRIFR is *total recordable injury frequency rate* which is reported on a rolling twelve-month per million work hours basis. TRIFR is unaudited.
5. Metal production cited is contained metal in-concentrate.
6. Cu-eq is *copper equivalent contained metal*. Cu-eq is a non-IFRS financial information metric. Refer to the important information on page 17 regarding the use of non-IFRS financial information metrics. Non-IFRS financial information in this report is unaudited.

   2021 *Pro forma* Cu-eq and statutory Cu-eq is the aggregate of reported quarterly Cu-eq production in 2021, and applies actual metallurgical recovery and average metal prices quoted by LME for the relevant quarter:

   Mar-Qtr: Cu US$8,490/t, Au US$1,794/oz, Zn US$2,749/t, Ag US$26.3/oz, Pb US$2,017/t
   Jun-Qtr: Cu US$9.682/t, Au US$1,815/oz, Zn US$2,913/t, Ag US$26.6/oz, Pb US$2,123
   Sep-Qtr: Cu US$9,365/t, Au US$1,789/oz, Zn US$2,991/t, Ag US$24/oz, Pb US$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 US$2,327/t (Source: FactSet)).

   2022 Cu-eq is the aggregate of reported quarterly Cu-eq production in 2022, and applies actual metallurgical recovery and average metal prices quoted by LME for the relevant quarter:

   Cu: Q1-22 US$9,998/t, Q2-22: US$9,538/t, Q3-22: US$7,751/t, Q4-22: US$8,006/t
   Zn: Q1-22 US$3,758/t, Q2-22: US$3,932/t, Q3-22: US$3,280/t, Q4-22: US$3,002/t
   Au: Q1-22 US$1,887/oz, Q2-22: US$1,873/oz, Q3-22: US$1,727/oz, Q4-22: US$1,729/oz
   Ag: Q1-22 US$24.0/oz, Q2-22: US$22.7/oz, Q3-22: US$19.2/oz, Q4-22: US$21.2/oz
   Pb: Q1-22 US$2,335/t, Q2-22: US$2,206/t, Q3-22: US$1,978/t, Q4-22: US$2,101/t (Source: FactSet)).
7. AISC is *all-in sustaining costs* and is cited on a Group basis per pound (lb) of copper metal sold. AISC is a non-IFRS financial information metric. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics in this report. Non-IFRS financial information in this report is unaudited.
8. Revenue is gross revenue for all mineral concentrate sales, inclusive of final shipment invoice and quotational period ('**QP**') adjustments, and after treatment and refinement costs and charges.
9. EBITDA is *earnings before interest, tax, depreciation and amortisation*. EBITDA is a non-IFRS financial information metric. Refer to important information on page 17 regarding the use of non-IFRS financial information metrics. Non-IFRS financial information in this report is unaudited.
10. EPS cited is basic earnings / (loss) per share, as shown in the Consolidated Statement of Comprehensive Income in the Consolidated Financial Statements for the year ended 31 December 2022.
11. Closing price for 29Metals shares quoted on ASX at close of trading on the final trading day for the year cited.

4.3 Performance-based Remuneration for Executive KMPs for the Reporting Period - STI

Awards to executive KMPs under the Company's STI are determined by the Board after assessing performance against the Company KPIs for the STI set by the Board. The 2022 STI Company KPIs are set out in the table below, along with the Board's assessment of performance against those KPIs.

2022 STI Company KPI	Weighting	Link to business performance & strategy	Assessed performance (% of Target)
1. Safety	**25%**	***Safety underpins sustainable business performance and is the highest priority at 29Metals.*** *The KPI focuses on progress against 29Metals' critical controls assurance and verification framework leading indicators as a measure of safety culture and performance*	**30%** (120% of target performance)
Completion of critical control verification actions	12.5%	Company achieved the stretch target for completion of critical control verification actions	15%
Completion of critical control audits	12.5%	Company achieved the stretch target for completion of critical control audits	15%
2. Production	**30%**	***Production performance, in conjunction with costs performance, is the foundation of 29Metals' business.*** *The KPI focusses on delivery of production in contained metal terms during the performance period relative to the Company's operating plan and budget*	**26%** (86.67% of target)
Copper	15%	Group copper production was above the lower end of the Company's published guidance for the year which was the threshold level for this KPI	13.3%
Zinc	15%	Group zinc production was above the lower end of the Company's published guidance for the year which was the threshold level for this KPI	12.7%
3. Costs	**30%**	***Costs performance, in conjunction with production performance, is the foundation of 29Metals' business.*** *The KPI focusses on delivery of total site costs and corporate costs relative to the Company's operating plan and budget*	**26.6%** (88.67% of target performance)
		Group costs of sales was below the top end of the Company's published guidance for the year which was the threshold level for this KPI	
4. Mineral Resources	**15%**	***29Metals' strategy is underpinned by its pipeline of organic growth opportunities extending the Company's mineral inventory to support future operations.*** *This KPI focuses on the performance of the Company's exploration activities to:* ▪ *replenish the mineral inventory of the Company after depletion for production activities; and* ▪ *improve the geological confidence in Mineral Resources estimates by converting unclassified material or material classified in the Inferred Mineral Resources category to a higher confidence category*	**15.8%** (105.33% of target)
Growth in Mineral Resources	7.5%	29Metals' Group Mineral Resources estimates increased year-on-year after depletion for production activities. The increase year-on-year was slightly below the target level set at the beginning of the year	6.8%
Conversion of Mineral Resources	7.5%	29Metals Group Mineral Resources estimates include a significant conversion of material to the *Measured* and *Indicated* categories for Mineral Resources under the JORC Code, reflecting a significant improvement in geological confidence in estimates, including in relation to key project areas such as Cervantes	9%
2022 STI Company KPI outcome			**98.4% of Target performance**

Performance against the 2022 STI company KPIs was strong, delivering an outcome of 98.4% of target overall.

However, the Board was not satisfied that the 2022 STI outcome assessed solely against the applicable Company KPIs reflected performance overall, including shareholder value over the period.

Having regard to, among other things:

- the performance against Company KPIs for the 2022 STI;
- the Company's operating plans and budget for 2022;
- the challenging external conditions in the sector; and
- the Board's assessment of the Company's performance overall,

the Board and executive KMPs agreed that the Company KPI outcome for 2022 should be adjusted down to reflect a performance outcome of above threshold but significantly below target.

85%

The table below sets out executive KMP outcomes under the STI for the Reporting Period.

Executive KMP	STI opportunity for 'at target' performance (% TFR)	2022 STI award outcome			
		Total (% TFR)	Delivered as cash ($)	Delivered as equity[1, 2] ($)	Performance Rights[2, 3] (No. of PRs)
Peter Albert	100	85	472,770 (60%)	315,180 (40%)	145,304
Ed Cooney	75	63.75	239,471 (70%)	102,630 (30%)	47,314
Peter Herbert	75	63.75	241,796 (70%)	103,627 (30%)	47,774
Clifford Tuck	75	63.75	240,634 (70%)	103,129 (30%)	47,544

1. Equity component of the 2022 STI outcome will be in the form of performance rights awarded under the Company's Equity Incentive Plan Rules. Refer to note 3 (below) for further information regarding the award of performance rights for the purposes of the 2022 STI, including the methodology for calculating the number of performance rights to be awarded.
2. The proposed award of performance rights to Mr Albert (Managing Director & CEO) for the equity component of the 2022 STI outcome is subject to shareholder approval to be sought at the 2023 AGM.
3. The number of performance rights to be awarded (or proposed to be awarded, in the case of Mr Albert) under the 2022 STI has been determined by dividing the cash value of the equity component of the 2022 STI outcome by the VWAP for 29Metals shares traded on the ASX for the month of December 2022, being $2.1691 (rounded down to the nearest performance right).

The maximum amount to be recognised in future periods in respect of performance rights awarded under the 2022 STI is $282,177 (calculated at 31 December 2022).

Refer to Note 35(c) to the Consolidated Financial Statements for further information regarding recognition and measurement of share-based payments.

The cash component of the 2022 STI outcomes will be remitted to executive KMPs in March 2023.

The equity component of the 2022 STI outcomes for executive KMPs, other than Mr Albert (Managing Director & CEO), is expected to be awarded in March 2023. The proposed award of the equity component of the 2022 STI outcome to Mr Albert is subject to shareholder approval, to be sought at the 2023 AGM.

All performance rights proposed to be awarded to executive KMPs are subject to a vesting period ending on 31 December 2023 and a continuing service condition (unless the Board determines otherwise – e.g., "good leaver"). In the event of a change of control of the Company prior to the end of the vesting date all performance rights awarded under the 2022 STI will vest (unless the Board determines otherwise).

Details of performance rights to be awarded to executive KMPs as the equity component of the 2022 STI, including the fair value applied to the award for accounting purposes, is set out in section 4.8.

For comparative purposes, the 2021 STI Company KPIs are set out in the table below (as reported in the 2021 Remuneration Report) and includes additional information regarding the performance targets assessed performance.[33]

Further information 2021 STI outcomes for executive KMPs is set out in 29Metals' 2021 Remuneration Report.

2021 STI Company performance KPI	Weighting (at Target)	Metric	Target Performance	Assessed performance
1. Safety	**15%**	Completion of critical control verifications ('**CCV**'), relative to operating plan and budget	CCV per month / site per plan	Slightly below Target
2. Production	**35%**	Contained metal production in copper equivalent terms, relative to the Prospectus[1] forecast	Cu-eq forecast in the Prospectus Pro forma forecast financial information	Slightly above Target
3. Costs	**35%**	Cost of sales relative to Prospectus[1] forecast	Costs of sales (site operating costs and capital) in Pro forma forecast final information in the Prospectus	Below Target
4. Unit Costs	**15%**	AISC[2] unit costs relative to Prospectus[1] forecast	Pro forma forecast AISC as set out in Prospectus forecast financial information	Below threshold
2021 STI Company KPI outcome				**% of Target performance**
2021 STI Company KPIs outcomes reflect a mixed performance outcome on three of the four KPIs, with performance slightly above target performance for production and safety, performance below target for costs of sales and below threshold performance for unit costs. In assessing performance overall, the Board took account of external costs pressures, particularly in the second half, resulting in an STI outcome at the threshold level overall.				**80%** (threshold overall)

1. References in this Report to the '***Prospectus***' are a reference to the 29Metals Prospectus dated 21 June 2021 (a copy of which was released to the ASX announcements platform on 2 July 2021 and is available on 29Metals' website at: https://www.29metals.com/investors/asx-releases.)
2. AISC is *all-in-sustaining costs*. Refer to the notes to the table in section 4.2 of the 2021 Remuneration Report for further information regarding the AISC performance metric.

[33] The additional information regarding performance targets for the 2021 STI follows feedback from stakeholders regarding 29Metals' remuneration disclosures in the 2021 Remuneration Report.

4.4 Performance-based Remuneration for Executive KMPs for the Reporting Period - LTI

During the Reporting Period there were two awards to executive KMPs under the Company's LTI:

- an award to Mr Albert (Managing Director & CEO) under the 2021 LTI, following shareholder approval of the award at the 2022 AGM; and
- awards to all executive KMPs under the 2022 LTI, including an award to Mr Albert following shareholder approval of the award at the 2022 AGM,

as outlined below.

2021 LTI award

182,926 performance rights under the 2021 LTI were awarded to Mr Albert (Managing Director & CEO) on 3 June 2022 following the receipt of shareholder approval at the Company's 2022 AGM. The terms of performance rights awarded to executive KMPs, including Mr Albert, under the 2021 LTI were set out in section 4.4 of the 2021 Remuneration Report.[34]

The maximum amount to be recognised in future periods in respect of performance rights awarded under the 2021 LTI, including performance rights awarded to other executive KMPs (reported in the prior period), is $402,711 (calculated at 31 December 2022). Refer to Note 35(b)(ii) and (iii) to the Consolidated Financial Statements for further information regarding recognition and measurement of share-based payments.

2022 LTI award

29Metals awarded performance rights to executive KMPs under the 2022 LTI, including Mr Albert (Managing Director & CEO) following shareholder approval at the 2022 AGM. The number of performance rights awarded to executive KMPs under the 2022 LTI is summarised in the table below and were awarded to executive KMPs, other than Mr Albert (Managing Director & CEO) on 21 March 2022, and to Mr Albert on 3 June 2022 (following shareholder approval at the AGM).

Name	Number of LTI performance rights awarded	2022 LTI award expressed as percentage of annual TFR[1]
Peter Albert	328,467	100%
Ed Cooney	152,117	80%
Peter Herbert	152,117	80%
Clifford Tuck	152,117	80%

1. Annual TFR as at the date of the 2022 LTI award.

The number of performance rights awarded to executive KMPs under the 2022 LTI was calculated by applying the VWAP for 29Metals shares on the ASX over the month of December 2021, being $2.74 per share (rounded down to nearest whole performance right).

Performance rights awarded to executive KMPs, including Mr Albert (Managing Director & CEO), are subject to a vesting period ending on 31 December 2024. Vesting of performance rights under the 2022 LTI is subject to the Board's assessment of performance against vesting conditions set by the Board for the award. The vesting conditions for the 2022 LTI award are set out below.

2022 LTI Vesting condition		Description	Link to shareholder value & strategy
1. Continued service	N/a[1]	Vesting of performance rights awarded under the 2022 LTI to executive KMPs is conditional upon, in each case, the executive KMP remaining in continuous employment by a Group company until expiry of the vesting period (31 December 2024), unless the Board determines otherwise (e.g., "good leaver")	The continued services requirement, combined with the duration of the vesting period, ensures that the LTI component of remuneration outcomes for executive KMPs are linked to longer-term Company performance. It also serves as a retention incentive for executive KMPs to assist the Company to maintain leadership continuity and mitigate labour market pressures
2. Relative Total Shareholder Return ('**rTSR**')[2]	80%	29Metals total shareholder return performance over the vesting period, relative to a defined group of peer companies[3]. 29Metals' rTSR performance over the TSR Performance Period: ▪ below the 50th percentile of TSR for the group of peer companies, results in zero vesting of the rTSR tranche; ▪ at the 50th percentile of TSR for the group of peer companies, results in 50% vesting of the rTSR tranche; and ▪ at or above the 75th percentile for the group of peer companies, results in 100% vesting for the rTSR tranche. rTSR between 50% and 75% for the group of peers' results in a vesting outcome of 50-100% of the rTSR tranche on a straight-line basis	TSR has been adopted as a reflection of changes in shareholder value over the relevant period and incorporates: ▪ the value of shares; and ▪ capital returned to shareholders over the period (in the form of dividends or otherwise). rTSR refines the vesting condition to show the returns realised by 29Metals shareholders relative to the returns realised by shareholders in the group of peer companies. This condition has been chosen because it aligns executive KMP reward with shareholder returns, and because it rewards only when 29Metals exceeds midpoint performance for the comparator group - it does not reward for general market uplifts.

[34] 2021 LTI performance rights were awarded to executive KMPs, other than Mr Albert, on 19 November 2021. Refer to section 4.8 for further information.

2022 LTI Vesting condition		Description	Link to shareholder value & strategy
			The condition has also been chosen because it is an objective assessment of shareholder value that it is widely used and understood
3. Climate change	20%	Performance against this measure will include: ▪ the development and publication of the three-year TCFD roadmap in 2022; ▪ implementation and execution of the three-year roadmap; and ▪ formulation and execution of climate-related targets and commitments during the three-year roadmap period, as assessed at end of the vesting period	Action on climate change is an area of continuing and increasing focus for investors and the community. This performance condition focuses on the Company's actions on climate change, commencing with development and implementation of a three-year roadmap for alignment with the recommendations of the TCFD and, within the framework of that roadmap, developing and implementing climate-related targets and commitments

1. Continued service is a threshold vesting condition. Unless the Board determines otherwise (e.g., "good leaver"), unvested performance rights awarded under the 2022 LTI award are forfeited if the relevant holder ceases to be an employee of the 29Metals Group before expiry of the vesting period.
2. *Total Shareholder Return* (or **TSR**) is calculated as the aggregate of:
   - change in price per share (as quoted on the ASX or TSX, as the case may be) at the end of the vesting period relative to the price per share at 1 January 2022 (in A$);
   - dividends paid in the vesting period, on a A$/share basis; and
   - other capital returned to shareholders during the TSR Performance Period, on an A$/share basis.
3. Group of peer companies comprise OZ Minerals Limited (ASX: OZL), IGO Limited (ASX: IGO), Sandfire Resources Limited (ASX: SFR), Aurelia Metals Limited (ASX: AMI), Copper Mountain Mining Company (ASX: C6C), Lundin Mining Corp (TSX: LUN), Capstone Mining Corp (TSX: CS), and Hudbay Minerals Inc (TSX: HBM).

Performance rights awarded to executive KMPs under the 2022 LTI have a nil exercise price at vesting.

The maximum amount to be recognised in future periods in respect of performance rights awarded under the 2022 LTI is $996,859 (calculated at 31 December 2022).

Refer to Note 35(b)(iv) to the Consolidated Financial Statements for further information regarding recognition and measurement of share-based payments.

Details of performance rights awarded to executive KMPs under the LTI, including the including the fair value applied to awards for accounting purposes, is set out in section 4.8.

4.5 Performance rights vested or lapsed in the Reporting Period

No performance rights awarded to executive KMPs lapsed during the Reporting Period.

In February 2022, the first tranche of performance rights awarded to executive KMPs under the Staff Offer Incentive, comprising 61,575 performance rights (in the aggregate) vested, resulting in the issue and allocation of 61,575 fully paid ordinary shares at nil exercise price to executive KMPs. Refer to section 4.6 for further information regarding the Staff Offer Incentive.

The table below outlines Staff Offer Incentive performance rights held by executive KMPs that vested during the Reporting Period.

Executive KMP	Number of Staff Offer Incentive performance rights vested	Number of shares allocated to executive KMPs
Peter Albert	22,500	22,500
Ed Cooney	13,025	13,025
Peter Herbert	13,025	13,025
Clifford Tuck	13,025	13,025

4.6 Other – Staff Offer Incentive

In connection with the 29Metals IPO, 29Metals provided one-off benefits to all Group employees, including executive KMPs, in the form of performance rights awarded under the Staff Offer Incentive. The Staff Offer Incentive was implemented by the Board as a reward for eligible employees for the successful completion of the 29Metals IPO and as a retention incentive (with no future performance conditions).

The Staff Offer Incentive provided for a one-time award of performance rights to each Group employee with a cash value equal to 10% of (in each case) the eligible employee's TFR at 2 July 2021. The number of performance rights awarded (in each case) was calculated by dividing 10% of TFR by $2.00 (being the final offer price for shares in the 29Metals IPO (rounded down to the nearest whole performance right).

Performance rights awarded under the Staff Offer Incentive were subject to vesting over two horizons, with:

- 50% of the performance rights vesting on the second trading day after release of the Company's 2021 full year financial results to the ASX; and
- 50% of the performance rights vesting on the second trading day after release of the Company's 2022 full year financial results to the ASX.

The Staff Offer Incentive performance rights were conditional upon successful completion of the 29Metals IPO and the employee remaining an employee of the Group on each vesting date (unless the Board determines otherwise – e.g., "good leaver").

The table below provides details of Staff Offer Incentive performance rights awarded to executive KMPs.

Executive KMP	Number of Staff Offer Incentive performance rights awarded	Number of Staff Offer Incentive performance rights vesting in Reporting Period	Number of Staff Offer Incentive performance rights lapsed in Reporting Period	Balance of Staff Offer Incentive performance rights at end of Reporting Period
Peter Albert	45,000	22,500	Nil	22,500
Ed Cooney	26,050	13,025	Nil	13,025
Peter Herbert	26,050	13,025	Nil	13,025
Clifford Tuck	26,050	13,025	Nil	13,025

The maximum amount to be recognised in future periods in respect of performance rights awarded under the Staff Offer Incentive is $11,437. Refer to Note 35(b)(i) to the Consolidated Financial Statements for further information regarding recognition and measurement of share-based payments.

Details of performance rights awarded to executive KMPs under the Staff Offer Incentive, including performance rights that vested during the Reporting Period and the fair value applied to the award for accounting purposes, is set out in section 4.8.

4.7 Other – Sign-on payments

No sign-on payments or other benefits were conferred on executive KMPs in the Reporting Period.

4.8 Performance rights awarded to executive KMPs

The table below sets out the details regarding:

- performance rights awarded to executive KMPs before or during the Reporting Period that remained on foot at the end of the Reporting Period;
- performance rights awarded to executive KMPs before or during the Reporting Period that vested during the Reporting Period; and
- performance rights to be awarded to executive KMPs under the 2022 STI (including the proposed award of performance rights to Mr Albert (Managing Director & CEO), which award is subject to shareholder approval under ASX Listing Rule 10.14 to be sought at the Company's 2023 AGM).

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Executive KMP	Award	Award Date [1]	Performance rights (No. of PRs)	Vesting period	Vesting outcome	Fair value ($ / PR)
Peter Albert	Staff Offer Incentive – Tranche 1	2 July 2021	22,500	2 Jul 21 – 25 Feb 22	Fully vested, 25 Feb 22	2.00 [2]
	Staff Offer Incentive – Tranche 2	2 July 2021	22,500	2 Jul 21 – 27 Feb 23	To be determined	2.00 [2]
	2021 LTI	3 Jun 2022	182,926	2 Jul 21 – 30 Jun 24	To be determined	2.29 [3]
	2022 LTI	3 Jun 2022	328,467	1 Jan 22 – 31 Dec 24	To be determined	2.10 [4]
	2022 STI [5, 6]	To be determined	145,304	1 Jan 23 – 31 Dec 23 [7]	To be determined	1.96 [8]
Ed Cooney	Staff Offer Incentive – Tranche 1	2 July 2021	13,025	2 Jul 21 – 25 Feb 22	Fully vested, 25 Feb 22	2.00 [2]
	Staff Offer Incentive – Tranche 2	2 July 2021	13,025	2 Jul 21 – 27 Feb 23	To be determined	2.00 [2]
	2021 LTI	19 Nov 2021	84,552	2 Jul 21 – 30 Jun 24	To be determined	2.24 [9]
	2022 LTI	21 Mar 2022	152,117	1 Jan 22 – 31 Dec 24	To be determined	2.20 [10]
	2022 STI [5]	To be determined	47,314	1 Jan 23 – 31 Dec 23 [7]	To be determined	1.96 [11]
Peter Herbert	Staff Offer Incentive – Tranche 1	2 July 2021	13,025	2 Jul 21 – 25 Feb 22	Fully vested, 25 Feb 22	2.00 [2]
	Staff Offer Incentive – Tranche 2	2 July 2021	13,025	2 Jul 21 – 27 Feb 23	To be determined	2.00 [2]
	2021 LTI	19 Nov 2021	84,552	2 Jul 21 – 30 Jun 24	To be determined	2.24 [8]
	2022 LTI	21 Mar 2022	152,117	1 Jan 22 – 31 Dec 24	To be determined	2.20 [9]
	2022 STI [5]	To be determined	47,774	1 Jan 23 – 31 Dec 23 [7]	To be determined	1.96 [11]
Clifford Tuck	Staff Offer Incentive – Tranche 1	2 July 2021	13,025	2 Jul 21 – 25 Feb 22	Fully vested, 25 Feb 22	2.00 [2]
	Staff Offer Incentive – Tranche 2	2 July 2021	13,025	2 Jul 21 – 27 Feb 23	To be determined	2.00 [2]
	2021 LTI	19 Nov 2021	84,552	2 Jul 21 – 30 Jun 24	To be determined	2.24 [8]
	2022 LTI	21 Mar 2022	152,117	1 Jan 22 – 31 Dec 24	To be determined	2.20 [9]
	2022 STI [5]	To be determined	47,544	1 Jan 23 – 31 Dec 23 [7]	To be determined	1.96 [11]

1. Award date cited in table is the date on which relevant awards of performance rights were allocated to the executive KMP. For accounting purposes, the award date for each award to executive KMPs (other than Mr Albert) is the date of approval of the award by the Board, and for Mr Albert is the date on which shareholder approval of the award was obtained.
2. *Fair value* determined at 2 July 2021, being the date of award of Staff Offer Incentive performance rights to executive KMPs. Refer to Note 35 to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.
3. *Fair value* determined at 24 May 2022, being the date on which shareholder approval of the 2021 LTI award to Mr Albert was received. *Fair value* cited is the weighted average *fair value* calculated for 2021 LTI performance rights awarded to Mr Albert. Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.
4. *Fair value* determined at 24 May 2022, being the date on which shareholder approval of the 2022 LTI award to Mr Albert was received. *Fair value* cited is the weighted average *fair value* calculated for 2022 LTI performance rights awarded to Mr Albert. Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.
5. The award of performance rights to executive KMPs (other than Mr Albert) under the 2022 STI outcome is expected to be made in March 2023. For statutory reporting purposes, the *fair value* of performance rights proposed to be awarded to executive KMPs (other than Mr Albert) under the 2022 STI will be subject to true up to reflect fair value as at the date on which the award was approved by the Board (being, 22 February 2023). Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments. Refer also to section 4.3 for further information regarding the 2022 STI outcomes including the calculation of the equity component.
6. The proposed award of performance rights to Mr Albert for the equity component of the 2022 STI outcome is subject to shareholder approval under ASX Listing Rule 10.14, to be sought at the Company's 2023 AGM.
7. The vesting period for performance rights awarded under the 2022 STI cited in the table is the period specified in the terms of the award. For accounting purposes, the vesting period is the period 1 January 2022 to 31 December 2023 (inclusive).
8. *Fair value* for performance rights proposed to be awarded to Mr Albert under the 2022 STI (subject to obtaining shareholder approval, to be sought at the Company's 2023 AGM). For statutory reporting purposes, the *fair value* of performance rights proposed to be awarded to Mr Albert under the 2022 STI will be subject to true up to reflect fair value as at the date on which shareholder approval of the proposed award is received. Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments. Refer also to section 4.3 for further information regarding the 2022 STI outcomes including the calculation of the equity component.
9. *Fair value* for performance rights awarded to executive KMPs, other than Mr Albert, under the 2021 LTI at 18 September 2021, being the date on which the award was approved by the Board. *Fair value* cited is the weighted average *fair value* calculated for 2021 LTI performance rights awarded to executive KMPs (other than Mr Albert). Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.
10. *Fair value* for performance rights awarded to executive KMPs, other than Mr Albert, under the 2022 LTI at 24 February 2022, being the date on which the award was approved by the Board. *Fair value* cited is the weighted average *fair value* calculated for 2022 LTI performance rights awarded to executive KMPs (other than Mr Albert). Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.
11. *Fair value* for performance rights proposed to be awarded to executive KMPs (other than Mr Albert) under the 2022 STI. For statutory reporting purposes, the *fair value* of performance rights proposed to be awarded to executive KMPs (other than Mr Albert) under the 2022 STI will be subject to true up to reflect fair value as at 22 February 2023 (being the date on which the Board approved the proposed award). Refer to Note 35(b)(v) to the Consolidated Financial Statements for the year ended 31 December 2022 for further information regarding the calculation of *fair value* for share-based payments.

5. Non-executive Director remuneration

5.1 Overview

The Board determines the total amount payable to Non-executive Directors ('**NED**') as remuneration for services as a director. NED remuneration is in the form of fixed Director's fees and additional fees for participation as a member or chair of one or more of the Committees established by the Board.

The maximum amount of Director and Committee fees, in the aggregate, may not exceed the fee pool limit last approved by shareholders – currently, $1.4 million. Any increase of the fee pool limit requires approval of shareholders in general meeting.

NEDs do not participate in the Company's performance-based remuneration schemes and do not receive termination benefits, other than statutory superannuation contributions in accordance with applicable laws.

5.2 Director and Committee fees

Director and Committee fees are set at a level intended to balance attracting and retaining high quality and experienced Directors, as well as the time commitment and other demands of the role.

The Remuneration & Nominations Committee is responsible for the periodic review of Director's fees and Committee fees and making recommendations to the Board regarding any proposed changes.

Further information regarding the role of the Board and the Remuneration & Nominations Committee in relation to remuneration, including Director's fees, is set out in section 3.1.

The current Director and Committee fee structure is set out in the table below. Fees shown are inclusive of statutory superannuation contributions.

	Chair	Member
Board of Directors	$250,000[1, 2]	$140,000
Audit, Governance & Risk Committee	$50,000	$20,000
Remuneration & Nominations Committee	$35,000	$20,000
Sustainability Committee[3]	$35,000	$20,000

All fees are cited on a per annum basis.

1. The Chair of the Board of Directors does not receive any Committee fees for undertaking any role as chair or member of any Committee.
2. Mr Hegarty, is a 'nominee director' nominated by EMR Capital. Under the terms of the Relationship Deed between the Company and the EMR Capital Investors, EMR Capital has directed that the Director's fees payable to Mr Hegarty are remitted to EMR Capital.
3. In January 2022, the Board determined to change the name of the Health, Safety, Environment & Community Committee to Sustainability Committee.

No changes to Director or Committee fees are proposed in 2023.

5.3 Expenses and special fees

In addition to Director and Committee fees, NEDs may also be paid or reimbursed for travel and other expenses properly incurred by the NED:

- in attending and returning from any meeting of the Board or a Committee, or general meeting of the Company; or
- otherwise in connection with the business of the Company and the NED's role (including any special responsibilities, from time to time).

A NED may also be paid special or additional fees, as determined by the Board, to compensate the NED for special or additional exertions outside of the scope of the NEDs normal role and for the benefit of the Company.

Payments for, or reimbursement of, expenses, and any special or additional fees, are not included in the fee pool limit described above.

5.4 Fees paid to NEDs during Reporting Period

The Director and Committee fees paid to NEDs during the Reporting Period is set out in the table below.

Name	Role	Fees paid
Owen Hegarty OAM	Non-executive Director *(Nominee director for EMR Capital)* *Chair of Board of Directors* *Member, Sustainability Committee[2]* *Member, Remuneration & Nominations Committee*	$250,000[1]
Fiona Robertson	Independent Non-executive Director *Chair, Audit, Governance & Risk Committee* *Member, Sustainability Committee[2]*	$210,000[3]
Jacqui McGill AO	Independent Non-executive Director *Chair, Sustainability Committee[2]*	$215,000[3]

Name	Role	Fees paid
	Member, Audit, Governance & Risk Committee *Member, Remuneration & Nominations Committee*	
Martin Alciaturi	Independent Non-executive Director *Chair, Remuneration & Nominations Committee* *Member, Audit, Governance & Risk Committee*	$195,000[3]

1. Mr Hegarty is a 'nominee director' nominated by EMR Capital. Under the terms of the Relationship Deed between the Company and the EMR Capital Investors, EMR Capital has directed that the Director's fees payable to Mr Hegarty are remitted to EMR Capital. As Chair of the Board, Mr Hegarty does not receive fees for his role as a member of any of the Board Committees.
2. In January 2022, the Board determined to change the name of the Health, Safety, Environment & Community Committee to the Sustainability Committee.
3. Fees paid to each of Ms Robertson, Ms McGill and Mr Alciaturi include $22,856.06 (cash value, subject to rounding) in the form of 12,236 29Metals shares issued during the Reporting Period under the 29Metals' NED Share Plan. Shares issued during the Reporting Period to Ms Robertson, Ms McGill and Mr Alciaturi comprised:
   - 3,379 shares - issued on 13 September 2022 with an issue price of $1.6911 per share; and
   - 8,857 shares - issued on 1 November 2022 with an issue price of $1.9354 per share.

   Shareholder approval under ASX Listing Rule 10.14 for the issue of shares to Non-executive Directors was obtained at the Company's 2022 AGM. Refer to section 5.5 for further information regarding the NED Share Plan. For accounting purposes, the *fair value* attributed to shares awarded to Ms Robertson, Ms McGill and Mr Alciaturi has been determined to be $2.77 per share, being the share price for 29Metals shares at the close of trading on 24 May 2022 (the date of approval of the NED Share Plan by shareholders). Refer to Note 35(d) to the Consolidated Financial Statements for further information regarding the calculation of *fair value*. Refer to section 8 of this Remuneration Report for statutory reporting of NED remuneration for the Reporting Period.

5.5 NED equity participation

The Board recognises the importance of Directors holding 29Metals shares to enhance alignment with the interests of shareholders.

During the Reporting Period the Board established the 29Metals NED Salary Sacrifice Share Plan (the '**NED Share Plan**'). The plan, as approved by shareholders at the Company's 2022 AGM, covers the issue of fully paid ordinary 29Metals shares to eligible NEDs over the period 2022, 2023 and 2024. The NED Share Plan also applies to future eligible NEDs, where appointed prior to May 2025.

Any EMR Nominee Director who is an employee of EMR Capital is not eligible to participate in the NED Share Plan on the basis that Director's fees for relevant persons are paid to EMR Capital. Executive Directors, such as the Managing Director & CEO, are also not eligible to participate in the NED Share Plan.

Under the NED Share Plan, commencing following shareholder approval at the Company's 2022 AGM, $40,000 (on a pre-tax basis) of each eligible NED's Director's fees per annum will be delivered in the form of new fully paid 29Metals ordinary shares. Shares issued under the NED Share Plan are issued to participating NEDs on a quarterly basis (pro rata), generally in April, August, November and February.

The number of shares issued to participating NEDs under the NED Share Plan is calculated by applying the VWAP for 29Metals shares trading on the ASX for the period of three months ending on the day before the date of issue. Applying the VWAP over the three-month period creates a continuous exposure for participating NEDs in the performance of 29Metals' share price.

Shares issued to participating NEDs under the plan are subject to:

- for continuing NEDs, a two-year trading lock commencing on the date of issue; and
- in the case of a participating NED that ceases to be a Director before the end of a relevant holding lock, a trading lock ending on the earlier of two years after the date of issue and the first anniversary of the date on which the Director ceases to hold office.

On the basis that the NED Share Plan is a salary sacrifice arrangement, shares issued to participating NEDs are not subject to performance conditions.

During 2022, and up to the date of this report:

- the Directors participating in the NED Share Plan are Ms Robertson, Ms McGill and Mr Alciaturi; and
- two issues of shares under the NED Share Plan occurred:
  - an issue of 3,379 shares to each participating NED in September 2022 following shareholder approval of the NED Share Plan at the 2022 AGM and release of the Company's Consolidated Financial Report for the six months ended 30 June 2022; and
  - an issue of 8,857 shares to each participating NED in November 2022 following release of the Company's quarterly report for the quarter ended 30 September 2022.

The final issue of shares to participating NEDs under the NED Share Plan for 2022 is expected to occur shortly following release of the Company's Annual Financial Report for the year ended 31 December 2022.

Further information regarding the *fair value* calculated for shares issued to eligible NEDs under the NED Share Plan is set out in the notes to the table in section 5.4.

6. KMP equity interests

6.1 Minimum shareholding policy

The Directors consider that maintaining alignment with the interests of the Company's shareholders is advanced by KMPs acquiring and holding a meaningful shareholding in the Company. Accordingly, the Company has a minimum shareholding requirement whereby all KMPs are required to acquire and hold 29Metals shares over a defined period after their respective appointment as a KMP.

The minimum shareholding requirements for KMPs are summarised in the following table.

	Minimum shareholding	Period to acquire minimum shareholding
Non-executive Directors	29Metals shares with a cash value at least equal to the aggregate annual director fees paid to the NED[1]	4 years commencing on the date of appointment
Managing Director & CEO	29Metals shares with a cash value at least equal to 50% of TFR	4 years commencing on the date of appointment
Other executive KMPs	29Metals shares with a cash value at least equal to 50% of TFR	4 years commencing on the date of appointment

1. Excludes any additional fees paid (from time to time) for special or additional exertions. Refer to sections 5.2 and 5.3 for further information regarding the circumstances where additional fees for special or additional exertions may be paid to NEDs.

6.2 KMP equity holdings

KMP shareholdings for the Reporting Period are set out below.

KMP name	Opening balance	Shares issued as part of KMP remuneration	Shares issued on vesting of perf. Rights	Shares acquired / disposed other	Closing balance
Non-executive Directors					
Owen Hegarty OAM [1]	50,000	—	N/a	—	**50,000**
Fiona Robertson	25,000	12,236[2]	N/a	—	**37,236**
Jacqui McGill AO	35,000	12,236[2]	N/a	—	**47,236**
Martin Alciaturi	17,500	12,236[2]	N/a	—	**29,736**
Executive Director					
Peter Albert [3]	265,000[3]	—	22,500	—	**287,500[3]**
Other executive KMPs					
Ed Cooney	12,500	—	13,025	—	**25,525**
Peter Herbert	7,500	—	13,025	—	**20,525**
Clifford Tuck	125,000[3]	—	13,025	—	**138,025[3]**
					635,783

1. Shareholdings for Mr Hegarty exclude shares held by private equity funds managed or advised by EMR Capital (the '**EMR Capital Investors'**). At 31 December 2022, EMR Capital Investors hold approximately 45% of 29Metals' shares (in the aggregate).
2. Shares issued to eligible NEDs in lieu of fees under the 29Metals NED Share Plan. Refer to sections 5.4 and 5.5 for further information.
3. Includes Restricted Shares. Further information regarding the one-off issue of Restricted Shares to Mr Albert and Mr Tuck is set out in section 4.5 of the Company's 2021 Remuneration Report.

6.3 Executive KMP performance rights holdings

Movements in performance rights held by executive KMPs during the Reporting Period is shown in the table below. All performance rights awarded to executive KMPs during the Reporting Period were unvested at 31 December 2022 (and remain unvested as at the date of this report).

Name	Opening balance (unvested)	Awarded – 2022 LTI[2]	Awarded – 2022 STI[2, 3]	Vested[4]	Lapsed / forfeited	Closing balance (unvested)
Peter Albert	227,926[1]	328,467	145,304[3]	22,500	Nil	679,197[3]
Ed Cooney	110,602	152,117	47,314	13,025	Nil	297,008
Peter Herbert	110,602	152,117	47,774	13,025	Nil	297,468
Clifford Tuck	110,602	152,117	47,544	13,025	Nil	297,238
	559,732	**784,818**	**287,936**	**61,575**	**Nil**	**1,570,911[3]**

All performance rights awarded during the Reporting Period have a nil exercise price.

1. Opening balances include the award of performance rights to executive KMPs under the 2021 LTI. Performance rights awarded to executive KMPs, other than Mr Albert, were awarded in 2021. Performance rights awarded to Mr Albert under the 2021 LTI (182,926 performance rights) were awarded in 2022 following receipt of shareholder approval at the Company's 2022 AGM. Refer to section 4.4 for further information.
2. Refer to section 4.8 for details regarding performance rights awarded to executive KMPs, including the fair value applied to awards for accounting purposes.
3. The number of performance rights awarded under the 2022 STI cited in the table includes a proposed award of 145,304 performance rights to Mr Albert (Managing Director & CEO) under the 2022 STI, which award is subject to obtaining shareholder approval to be sought at the Company's 2023 AGM. Refer to section 4.3 for further information.
4. Vesting of the first tranche of Staff Offer Incentive performance rights. Refer to sections 4.5 and 4.6 for further information.

6.4 Shares issued on vesting of performance rights

As described in section 4.5, 61,575 shares were issued to executive KMPs (in the aggregate) upon vesting of Performance Rights during the Reporting Period.[35]

7. Other KMP transactions

7.1 Loans to KMPs

No loans were granted by the Company to any KMP (or any of their related parties).

7.2 Other transactions with KMPs or their related parties

29Metals' head office is sub-leased from EMR Capital Pty Ltd, an entity within the EMR Capital group of companies. As noted above, Mr Hegarty is the Executive Chairman of EMR Capital. The sub-lease is on commercial arm's length terms and includes incentives in 29Metals' favour (including contributions to fit out costs). Further details regarding the sub-lease are disclosed in the Prospectus.[36]

29Metals does not consider the sub-lease to be a relevant transaction with a KMP or related party for remuneration reporting purposes but has elected to include this additional disclosure for transparency.

There were no other transactions with KMPs or their related parties during the Reporting Period.

[35] A total of 864,391 shares were issued upon vesting of performance rights awarded under the Staff Offer Incentive in 2021, inclusive of 61,575 issued to executive KMPs.

[36] Refer to section 10.6.11 of the 29Metals Prospectus.

8. Statutory remuneration tables

2022

	Short-term benefits				Post-employment	Long-term benefits	Share-based payments		Termination payments	Total	Performance-related
KMP	Salary & fees $	STI (cash bonus) $	Non-monetary benefits[1] $	Other $	Superannuation $	Employee entitlements[2] $	Share options[3] $	Shares[4] $	$	$	%
Non-executive Directors											
Owen Hegarty OAM	250,000[5]	N/a	—	—	—	—	—	—	—	250,000	N/a
Fiona Robertson	165,011[6]	N/a	—	—	4,989	—	—	101,360[7]	—	271,360	N/a
Jacqui McGill AO	155,012[6]	N/a	—	—	19,988	—	—	101,360[7]	—	276,360	N/a
Martin Alciaturi	136,872[6]	N/a	—	—	18,128	—	—	101,360[7]	—	256,360	N/a
Executive Directors											
Peter Albert	889,070	472,770	58,966	—	24,430	9,020	544,189	10,588[8]	—	2,009,033	51
Other executive KMPs											
Ed Cooney	504,385	239,471	41,219	—	24,430	5,545	218,534	6,129[8]	—	1,039,713	45
Peter Herbert	511,935[9]	241,796	51,049	—	24,430	2,288	218,985	6,129[8]	—	1,056,612	44
Clifford Tuck	505,687	240,634	60,784	—	24,430	2,272	218,759	6,129[8]	—	1,058,695	44
Total	**3,117,972**	**1,194,671**	**212,018**	—	**140,825**	**19,125**	**1,200,467**	**333,055**	**—**	**6,218,133**	**N/a**

1. Comprises value of accrued annual leave entitlements.
2. Comprises accrued long service leave entitlements, including accrued entitlements transferred upon commencement of employment with 29Metals.
3. Share options comprises performance rights awarded to executive KMPs (nil exercise price). For the Reporting period, performance rights were awarded under the 2022 LTI (refer to section 4.4) and the 2022 STI (equity component; refer to section 4.3). The value of performance rights awarded to executive KMPs in the Reporting Period is calculated by applying the *fair value* per performance right calculated for each award. Information regarding the *fair value* applied for awards of performance rights during the Reporting period is set out in section 4.8.
4. Shares issued to KMPs during the Reporting Period and applying *fair value* determined for each relevant issue.
5. Owen Hegarty is a nominee director for EMR Capital Investors (as that term is defined in the 29Metals Prospectus), Mr Hegarty's Director's fees are paid to EMR Capital.
6. Fees paid to Ms Robertson, Ms McGill and Mr Alciaturi are cited net of fees delivered in the form of fully paid 29Metals shares issued to each of them in under the NED Share Plan. The fees applied (by way of salary sacrifice) for the issue of shares under the NED Share Plan was $40,000 during the Reporting Period (per Director). These benefits are included in *Share-based Payments* (Refer to note 7, below). Refer to section 5.5 for further information regarding the NED Share Plan.
7. Refer to section 5.4 for information regarding the *fair value* applied for shares issued to eligible NEDs under the NED Share Plan.
8. Shares issued to executive KMPs during the Reporting Period on vesting of Performance Rights awarded to executive KMPs under the Staff Offer Incentive. Refer to section 4.6 for further information regarding the Staff Offer Incentive. The value of shares issued to executive KMPs in the Reporting Period is calculated by applying the *fair value* of $2.00 per share for each issue.
9. Salary for Mr Herbert for the Reporting Period includes a temporary increase in TFR for a period during which Mr Herbert was acting Chief Executive Officer while Mr Albert was on annual leave. The aggregate incremental TFR for the relevant period was $4,945 (inclusive of superannuation contributions).

2021

KMP	Short-term benefits Salary & fees $	STI (cash bonus) $	Non-monetary benefits[1] $	Other $	Post-employment Superannuation $	Long-term benefits Employee entitlements[2] $	Share-based payments Share options[3] $	Shares[4] $	Termination payments $	Total $	Performance-related %
Non-executive Directors											
Owen Hegarty OAM	125,000[5, 6]	N/a	—	—	—	—	—	—	—	125,000	N/a
Fiona Robertson	81,136[7]	N/a	—	—	3,864	—	—	20,000	—	105,000	N/a
Jacqui McGill AO	79,545[7]	N/a	—	—	7,955	—	—	20,000	—	107,500	N/a
Martin Alciaturi	70,455[7]	N/a	—	—	7,045	—	—	20,000	—	97,500	N/a
Executive Directors											
Peter Albert	438,216	360,986	49,795[8]	300,000[9]	15,712	5,269	89,760	400,000[10]	—	1,659,738	69
Other executive KMPs											
Ed Cooney	248,716	156,728	22,608[8]	—	13,965	3,648	46,866	—	—	492,531	41
Peter Herbert	248,716	156,728	27,791	—	13,965	485	46,866	—	—	494,551	41
Clifford Tuck	248,716	156,728	57,494[11]	100,000[9]	13,965	485	46,866	250,000[10]	—	874,254	63
Total	**1,540,500**	**831,170**	**157,688**	**400,000**	**76,471**	**9,887**	**230,358**	**710,000**	—	**3,956,074**	**N/a**

Remuneration information reported for 2021 in the table above cover the reporting period for the 2021 Remuneration Report of 2 July to 31 December 2021 (inclusive). Refer to 29Metals' 2021 Remuneration Report for further information.

References to sections in the table notes set out below are a reference to section in 29Metals' 2021 Remuneration Report.

1. Comprises value of accrued annual leave entitlements.
2. Comprises accrued long service leave entitlements, including accrued entitlements transferred upon commencement of employment with 29Metals.
3. Share options comprises performance rights awarded to executive KMPs (nil exercise price) and applied the fair value per performance right determined for each relevant award of performance rights during the Reporting Period.
4. Shares issued or awarded to KMPs during the Reporting Period and applying fair value determined for each relevant issue or award.
5. Mr Hegarty is a nominee director for EMR Capital Investors (as that term is defined in the 29Metals Prospectus), Mr Hegarty's Director's fees are paid to EMR Capital.
6. Director's Fees for Mr Hegarty for the 2021 Reporting Period have been restated. In the 2021 Remuneration Report the Director's Fees for Mr Hegarty were incorrectly reported as $145,000 as a result of an administrative error.
7. Fees paid to Ms Robertson, Ms McGill and Mr Alciaturi are cited net of fees delivered in the form of 10,000 fully paid 29Metals shares issued to each of them in the 29Metals IPO. These benefits are included in Share-based Payments. Fair value for the shares issued to these Directors has been determined to be $2.00 per share. Refer to section 6.5 for further information regarding this issue of shares.
8. Includes accrued annual leave balance transferred upon commencement of employment with 29Metals.
9. Cash component of Transaction Incentive paid to relevant executive KMPs in relation to the 29Metals IPO (refer to section 5.5 for further information).
10. Equity component of Transaction Incentive paid to relevant executive KMPs in relation to the 29Metals IPO (refer to section 5.5 for further information) included at fair value. The restricted shares are subject to a two-year holding lock.
11. Includes additional annual leave under the terms of Mr Tuck's executive services agreement.

Additional information

The additional information included below was included in the 2021 Remuneration Report to provide shareholders and other market participants with transparency regarding the remuneration arrangements for 29Metals KMPs in the period prior to the Reporting period for the 2021 Remuneration Report. On the basis that the comparative period for the 2022 Remuneration Report is the reporting period for the 2021 Remuneration Report, 29Metals has repeated these additional disclosures.

Unless otherwise stated, all references to notes to the Consolidated Financial Statements, the Director's Report or the Remuneration Report below, are references to the reporting of that name for 2021.

The Reporting Period for the 2021 Remuneration Report commenced on 2 July 2021, being the date on which 29Metals was listed on the ASX and, as a result, became a disclosing entity for the purposes of the Corporations Act.

The remuneration information in the 2021 Remuneration Report provides shareholders and other market participants with a clear understanding of 29Metals remuneration arrangements on an ongoing basis. However, as set out in the Prospectus, certain KMPs were engaged by or on behalf of 29Metals, or employed by a Golden Grove Group company, prior to the Reporting Period.[37] While the remuneration arrangements for the pre-2 July 2021 period are unrelated to 29Metals' ongoing remuneration arrangements, for transparency this section outlines the pre-IPO arrangements for KMPs.

The following table outlines the pre-IPO contractual and other remuneration arrangements for KMPs.

KMP	Pre-IPO remuneration arrangements
Owen Hegarty OAM	Mr Hegarty is the Executive Chair and co-founder of EMR Capital. EMR Capital. Prior to the IPO, the 29Metals assets were owned by investors in private equity funds managed or advised by EMR Capital. In his capacity as Executive Chair of EMR Capital, Mr Hegarty sat on the board of directors for one or more entities with an interest in Golden Grove and Capricorn Copper in the period 1 January – 2 July 2021. Mr Hegarty was appointed as a director of 29Metals on its formation on 27 May 2021. Mr Hegarty did not receive any fees as a director of Golden Grove or Capricorn Copper entities during the period 1 January to 2 July 2021.
Peter Albert	During the period 1 January – 2 July 2021, Mr Albert was employed by Golden Grove Operations Pty Ltd in the role of Chief Executive Officer and served as Chief Executive Officer of Capricorn Copper Holdings Pty Ltd. Mr Albert was also a director of one or more entities with an interest in Golden Grove and Capricorn Copper. Mr Albert was appointed as a director of 29Metals on its formation on 27 May 2021 and Managing Director & CEO with effect on and from 2 July 2021. Mr Albert's pre-IPO executive roles terminated with effect on and from 2 July 2021. Mr Albert's employee entitlements for the pre-IPO roles described above were cash settled or transferred to 29Metals when Mr Albert commenced employment with 29Metals. Mr Albert received a payment under the Golden Grove STI scheme for the period 1 January to 2 July 2021, as set out below. Mr Albert's remuneration for the period 1 January – 2 July 2021, included in the KMP remuneration information set out in Note 36(b) to the Consolidated Financial Statements, comprises: ▪ Salary (excluding superannuation) - $349,153; ▪ Superannuation - $10,847; ▪ Annual leave - $13,222; ▪ Long service leave - $338; and ▪ Short term incentive - $80,000.
Fiona Robertson	Ms Robertson was engaged by EMR Capital as an independent consultant in anticipation of a potential IPO. In consideration for assisting EMR Capital with the 29Metals IPO, Ms Robertson was paid a fixed consulting services fee. The consulting services arrangement terminated on successful completion of the IPO. Ms Robertson was appointed as a director of 29Metals on its formation on 27 May 2021. Ms Robertson has a formal appointment letter with 29Metals which commenced on and from 2 July 2021 and commenced receiving Director's fees from 29Metals on and from 2 July 2021.
Jacqui McGill AO	Ms McGill was engaged by EMR Capital as an independent consultant in anticipation of a potential IPO. In consideration for assisting EMR Capital with the 29Metals IPO, Ms McGill was paid a fixed consulting services fee. The consulting services arrangement terminated on successful completion of the IPO. Ms McGill was appointed as a director of 29Metals on its formation on 27 May 2021. Ms McGill has a formal appointment letter with 29Metals which commenced on and from 2 July 2021 and commenced receiving Director's fees from 29Metals on and from 2 July 2021.

...

37 Refer to the Director's Report and Note 2 (*Basis of Preparation*) and Note 34 (*Business Combination – Reverse Acquisition*) to the Consolidated Financial Statements for an explanation of the accounting treatment of the Restructure and IPO Transactions whereby, for accounting purposes, Golden Grove, LP, is the accounting "*acquiror*".

<table>
<tr><th>KMP</th><th>Pre-IPO remuneration arrangements</th></tr>
<tr><td>Martin Alciaturi</td><td>Mr Alciaturi was engaged by EMR Capital as an independent consultant in anticipation of a potential IPO. In consideration for assisting EMR Capital with the 29Metals IPO, Mr Alciaturi was paid a fixed consulting services fee. The consulting services arrangement terminated on successful completion of the IPO.
Mr Alciaturi was appointed as a director of 29Metals on its formation on 27 May 2021.
Mr Alciaturi has a formal appointment letter with 29Metals which commenced on and from 2 July 2021 and commenced receiving Director's fees from 29Metals on and from 2 July 2021.</td></tr>
<tr><td>Ed Cooney</td><td>During the period 1 January 2021 until the listing date (2 July 2021), Mr Cooney was an employee of Golden Grove Operations Pty Ltd. In his role as Operations Director, Mr Cooney was paid a fixed annual salary and was eligible to participate in the Golden Grove short term incentive scheme.
Mr Cooney was appointed Chief Operating Officer of 29Metals with effect on and from 2 July 2021 and his employment with Golden Grove terminated.
Mr Cooney's employee entitlements with Golden Grove were cash settled or transferred to 29Metals when Mr Cooney commenced employment with 29Metals.
Mr Cooney received a payment under the Golden Grove STI scheme for the period 1 January to 2 July 2021.
Mr Cooney's remuneration for the period 1 January – 2 July 2021, included in the KMP remuneration information set out in Note 36(b) to the Consolidated Financial Statements, comprises:
▪ Salary (excluding superannuation) - $225,000;
▪ Superannuation - $23,347;
▪ Annual leave - $8,521;
▪ Long service leave - $218; and
▪ Short term incentive - $112,500.</td></tr>
<tr><td>Peter Herbert</td><td>During the period 1 January to 2 July 2021, Mr Herbert was employed by EMR Capital in the role of Investment Director. As part of his role, Mr Herbert sat on the Board of one or more of the Companies that hold an interest in Capricorn Copper and Redhill.
Any fees payable for Mr Herbert's role as a director of Capricorn Copper entities were paid to EMR Capital.
Mr Herbert commenced employment with 29Metals Limited in the position of Chief Financial Officer on and from 2 July 2021.
Mr Herbert did not receive any fees for his role as a director of the Capricorn Copper entities or the Redhill entities.</td></tr>
<tr><td>Clifford Tuck</td><td>Mr Tuck was engaged by EMR Capital as an independent consultant to, among other things, assist with the establishment of 29Metals in anticipation of an IPO and the IPO transaction process. In consideration of his services, Mr Tuck was paid a monthly consulting fee and reimbursed for costs incurred in connection with the services.
Mr Tuck's consulting services arrangement terminated on successful completion of the IPO.
Mr Tuck was appointed Company Secretary of 29Metals on its formation on 27 May 2021.
Mr Tuck commenced employment with 29Metals as General Counsel & Company Secretary with effect on and from 2 July 2021.</td></tr>
</table>

Differences in KMP remuneration included in the notes to the Consolidated Financial Statements

Shareholders and other market participants should note that there are differences between the comparative remuneration information disclosed in the Remuneration Report and the KMP information included in the notes to the Consolidated Financial Statements (refer to Note 36(b)).

The reason for the difference is that the KMP remuneration disclosures in Note 36(b) to the Consolidated Financial Statements comprise remuneration for the KMPs of the Golden Grove Group as the 'acquirer' of the 29Metals Group for accounting purposes. An explanation regarding this accounting treatment is set out in Note 2 to the Consolidated Financial Statements.

As a result of this accounting treatment, the comparative KMP remuneration details in Note 36(b) to the Consolidated Financial Statements comprises:

- statutory remuneration information for those persons that were KMPs of the Golden Grove Group in the period 1 January – 2 July 2021; and
- statutory remuneration information for those persons that were KMPs of the 29Metals Group during the period 2 July – 31 December 2021 (ie, the Reporting Period for the Remuneration Report), as set out in the Remuneration Report.

In this regard, it is noted that remuneration for Mr Albert and Mr Cooney for their respective *pre-IPO* roles with Golden Grove in the period 1 January – 2 July 2021 (outlined in the table above) is included in the KMP remuneration information in Note 36(b) to the Consolidated Financial Statements.

Consolidated Financial Statements

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Consolidated Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Revenue	6(a)	720,688	600,762
Cost of sales	6(b)	(716,799)	(464,118)
Gross profit		**3,889**	**136,644**
Other income		201	270
Net loss on derivative financial instruments	6(e)	(4,652)	(11,135)
Net foreign exchange loss	6(f)	(12,198)	(13,450)
Administration expenses	6(c)	(33,884)	(18,641)
Other expenses	6(d)	-	(45,649)
Operating (loss)/profit		**(46,644)**	**48,039**
Finance income	7	1,385	90
Interest expense and other cost of finance	7	(20,557)	(30,352)
Net finance costs	**7**	**(19,172)**	**(30,262)**
(Loss)/profit before income tax expense		**(65,816)**	**17,777**
Income tax benefit	9	18,594	103,236
Net (loss)/profit for the year		**(47,222)**	**121,013**
Net (loss)/profit for the year after tax attributable to members of 29Metals Limited		**(47,222)**	**121,013**
Other comprehensive (loss)/income for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(191)	(51)
Total comprehensive (loss)/income for the year attributable to members of 29Metals Limited		**(47,413)**	**120,962**
(Loss)/earnings per share (cents per share)			
Basic (loss)/earnings per share	10	(9.8)	48.5
Diluted (loss)/earnings per share	10	(9.8)	48.4

The Consolidated Statement of Comprehensive Income (above) should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position at 31 December 2022

	Note	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	24	171,962	197,472
Trade and other receivables	13	51,630	40,189
Derivative financial assets	14	-	1,037
Inventories	15	99,478	76,118
Income tax receivable	9	-	15,042
Other financial assets	16	12,518	14,514
Prepayments		9,368	7,471
Total current assets		**344,956**	**351,843**
Non-current assets			
Prepayments		4,592	5,304
Derivative financial assets	14	-	504
Exploration and evaluation expenditure	17	33,169	45,463
Mine properties	18	578,001	605,284
Property, plant and equipment	19	207,121	235,956
Right-of-use assets	20	66,939	31,179
Intangible assets		122	168
Deferred tax assets	9	58,072	39,478
Total non-current assets		**948,016**	**963,336**
Total assets		**1,292,972**	**1,315,179**
Current liabilities			
Trade and other payables	21	150,765	115,078
Interest-bearing liabilities	25	33,742	15,454
Derivative financial liabilities	14	1,354	31,259
Lease liabilities	26	19,967	27,731
Provisions	22	17,927	10,550
Total current liabilities		**223,755**	**200,072**
Non-current liabilities			
Interest-bearing liabilities	25	164,617	186,163
Derivative financial liabilities	14	5,428	-
Lease liabilities	26	47,150	3,695
Provisions	22	136,330	155,713
Total non-current liabilities		**353,525**	**345,571**
Total liabilities		**577,280**	**545,643**
Net assets		**715,692**	**769,536**
Equity			
Contributed equity	29	648,464	646,633
Reserves	29	3,064	1,890
Retained earnings		64,164	121,013
Total equity		**715,692**	**769,536**

The Consolidated Statement of Financial Position (above) should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 31 December 2022

	Note	Contributed Equity $'000	Share-based payment Reserve $'000	Translation Reserve $'000	Retained Earnings $'000	Total equity $'000
As at 1 January 2022		**646,633**	**1,941**	**(51)**	**121,013**	**769,536**
Loss for the year		-	-	-	(47,222)	(47,222)
Other comprehensive loss		-	-	(191)	-	(191)
Total comprehensive loss		-	-	**(191)**	**(47,222)**	**(47,413)**
Transactions with owners in their capacity as owners						
Dividends	11	-	-	-	(9,627)	(9,627)
Issue of shares to Non-executive directors from Salary Sacrifice Share Plan	29, 35(d)	102	(102)	-	-	-
Share-based payments	35(a)	-	3,196	-	-	3,196
Shares issued to settle share-based payments	29, 35(b)	1,729	(1,729)	-	-	-
As at 31 December 2022		**648,464**	**3,306**	**(242)**	**64,164**	**715,692**
As at 1 January 2021		**-**	**-**	**-**	**-**	**-**
Profit for the year		-	-	-	121,013	121,013
Other comprehensive loss		-	-	(51)	-	(51)
Total comprehensive income/(loss)		**-**	**-**	**(51)**	**121,013**	**120,962**
Transactions with owners in their capacity as owners						
Issue of shares	29	245,000	-	-	-	245,000
Transaction costs, net of tax	29	(12,137)	-	-	-	(12,137)
Settlement of amount owing		3,000	-	-	-	3,000
Reverse acquisition – deemed consideration payable	29	214,398	-	-	-	214,398
Net assets attributable to Partners – settlement of partner liabilities as a result of the reverse acquisition	40	183,554	-	-	-	183,554
Issue of shares on acquisition of Redhill Mining Group	33	12,108	-	-	-	12,108
Share-based payments	29, 35(a)	710	1,941	-	-	2,651
As at 31 December 2021		**646,633**	**1,941**	**(51)**	**121,013**	**769,536**

The Consolidated Statement of Changes in Equity (above) should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		734,743	608,018
Payments to suppliers, employees and others		(589,605)	(487,245)
Income taxes refund received		18,023	-
Income taxes paid		(2,982)	(22,571)
Payment for transaction costs	8	-	(18,260)
Interest received	7	1,385	90
Payments for short-term leases and variable lease payments		(5,874)	(4,934)
Net cash flows from operating activities	**12(a)**	**155,690**	**75,098**
Cash flows from investing activities			
Payments for property, plant and equipment	19	(50,473)	(39,102)
Proceeds from the sale of property, plant and equipment		-	70
Payments for development activities	18	(46,222)	(50,354)
Exploration expenditure	17	(16,916)	(7,979)
Payments for intangible assets		-	(178)
Cash acquired in business combination	34	-	4,966
Cash acquired on acquisition of controlled entity (assets acquisition)	33	-	29
Net cash flows (used in) investing activities		**(113,611)**	**(92,548)**
Cash flows from financing activities			
Transfer from / (to) other financial asset	16	1,814	(12,682)
Amount received from related party	16	-	12,682
Proceeds from issue of share capital	29	-	245,000
Transaction costs paid relating to the issue of shares	29	-	(17,339)
Repayment of borrowings	25	(18,878)	(81,556)
Repayment of lease liabilities	26	(32,047)	(26,706)
Dividends paid	11	(9,627)	-
Interest and borrowing costs paid		(13,661)	(17,523)
Net cash flows from / (used in) financing activities		**(72,399)**	**101,876**
Net increase / (decrease) in cash and cash equivalents		(30,320)	84,426
Effect of movements in exchange rates on cash held		4,810	5,831
Cash and cash equivalents at the beginning of the year		197,472	107,215
Cash and cash equivalents at the end of the year	**24**	**171,962**	**197,472**

The Consolidated Statement of Cash Flows (above) should be read in conjunction with the accompanying notes.

Introduction

This section provides information about the overall basis of preparation of the Consolidated Financial Statements that the Company considers will be useful in understanding the Consolidated Financial Statements.

Note 1: Corporate information

29Metals Limited ('**29Metals**' or, the '**Company**') is a *for-profit* company limited by shares, domiciled and incorporated in Australia. Shares in 29Metals are publicly traded on ASX. 29Metals' shares commenced trading on ASX on 2 July 2021.

The registered office of the Company is Level 2, 150 Collins St, Melbourne, Victoria 3000, Australia.

The nature of operations and principal activities of 29Metals Limited and its controlled entities (together the '**Group**') are mining and mineral production, mineral concentrate sales and mineral exploration.

The Consolidated Financial Statements of the Group for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors dated 23 February 2023.

Note 2: Basis of preparation

The Consolidated Financial Statements is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards ('**AAS**') and other authoritative pronouncements of the Australian Accounting Standards Board ('**AASB**') and the *Corporations Act 2001* (Cth);
- complies with International Financial Reporting Standards ('**IFRS**') and interpretations adopted by the International Accounting Standards Board ('**IASB**');
- has been prepared on an historical cost basis except for certain financial instruments which have been measured at fair value through the profit or loss;
- is presented in Australian dollars with all values rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument* 2016/191;
- adopts AAS and Interpretations that have been issued or amended and are effective from 1 January 2022. The adoption of AAS and Interpretations that have been issued or amended during the year did not have a significant impact on the financial report; and
- does not early adopt AAS and Interpretations that have been issued or amended but are not yet effective. Refer to Note 38 for further details.

Reverse acquisition – year ended 31 December 2021

29Metals was registered on 27 May 2021 and was admitted to the official list of ASX on 2 July 2021.

29Metals Limited became the legal parent company of the Group (refer Note 30) on 2 July 2021 which is the date control was obtained over Golden Grove, LP ('**GGLP**') and its controlled entities (the '**GGLP Group**'). This transaction was accounted for as a reverse acquisition.

GGLP, the head entity in the GGLP Group is a limited partnership registered in New South Wales under the *Partnership Act 1982* (NSW).

Refer to Note 34 for further details regarding the reverse acquisition accounting.

The implications of the reverse acquisition on each of the primary statements is as follows:

- The *Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows*
  The Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended 31 December 2021, comprise:
  - the results of the GGLP Group for the six months to 30 June 2021; and
  - the Group results for the six months ended 31 December 2021

The results for the year ended 31 December 2022 comprise the Group results.

- The *Consolidated Statement of Financial Position*
  The Consolidated Statement of Financial Position as at 31 December 2021 and 2022 represents the consolidated position of the Group.

Note 3: Critical accounting judgements, estimates and assumptions

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. All judgements, estimates and assumptions made for the purposes of the Consolidated Financial Statements are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from these estimates.

The judgements, estimates and assumptions that have the potential to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined within the following notes. These include:

Estimates and assumptions:

- Note 9 (*Taxes*) – Income taxes
- Note 18 (*Mine properties*) – Mineral Resources and Ore Reserves estimates
- Note 19 (*Property, plant and equipment*) – Impairment of non-financial assets
- Note 20 (*Right-of-use assets*) – Estimation of the incremental borrowing rate to measure lease liabilities
- Note 22 (*Provisions*) – Mine rehabilitation, restoration and dismantling obligations

Judgements:

- Note 6 (*Income and expenses*) – Revenue recognition and variable consideration
- Note 20 (*Right-of-use assets*) – Lease term

Note 4: Accounting policies

The accounting policies set out below and in these notes to the Consolidated Financial Statements have been applied consistently by all entities included in the Group and are consistent with those applied in the prior year. All other significant accounting policies are contained within the applicable notes to the Consolidated Financial Statements.

(a) Basis of consolidation

The Consolidated Financial Statements include the financial statements of the parent entity, 29Metals, and its controlled entities. A list of controlled entities is included in Note 30.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee (ie. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the entity.

(b) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. Foreign exchange differences resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are recognised in the Consolidated Statement of Comprehensive Income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income ('**OCI**') and accumulated in the translation Reserve.

Note 4: Accounting policies (continued)

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('**GST**'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Tax Office ('**ATO**') is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

Performance

Note 5: Segment information

Identification of reportable segments

The Group has determined that it has three reportable segments: Golden Grove, Capricorn Copper and Exploration (which includes Redhill and regional exploration activities at Golden Grove and Capricorn Copper).

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Golden Grove	Base and precious metals mining, mineral production and associated activities
Capricorn Copper	Base and precious metals mining, mineral production and associated activities
Exploration	Exploration for mineral resources at Redhill (Chile), and regional exploration at Golden Grove (Western Australia) and Capricorn Copper (Queensland)

Unallocated operations include corporate and administrative functions, which are managed on a group basis and are not allocated to reportable segments.

The performance of reportable segments is evaluated at least monthly based on revenues and EBITDA.

EBITDA is earnings before finance income, finance costs, any unrealised foreign exchange gains or losses, any realised and unrealised gains or losses on derivative financial instruments, distribution to Partners, income tax expense and depreciation and amortisation. A reconciliation of EBITDA to profit after tax is shown in Note 5(b). EBITDA is a non-IFRS financial information metric used by the Group's chief operating decision makers ('**CODM**') as the primary measure for assessing financial performance. 29Metals considers that EBITDA provides additional meaningful information to assist stakeholders to understand the underlying performance of the business.

Segment revenues represent revenue from the sale of copper concentrate, zinc concentrate and lead concentrate, which is net of related treatment and refining charges, and shipping revenue. All segment revenue is from third parties.

Segment assets include intercompany receivables. Segment liabilities exclude intercompany payables.

Capital expenditure comprises payments for plant and equipment, assets under construction, mine development, exploration and studies expenditure.

Note 5: Segment information (continued)

(a) Segment Results, Segment Assets and Segment Liabilities

Year ended 31 December 2022	Golden Grove $'000	Capricorn Copper $'000	Exploration $'000	Unallocated operations and adjustments $'000	Total $'000
Revenue					
Copper concentrate	235,565	280,910	-	-	516,475
Zinc concentrate	181,627	-	-	-	181,627
Shipping revenue	15,911	-	-	-	15,911
Realised and unrealised fair value movements on receivables subject to QP adjustment	672	6,003	-	-	6,675
Total revenue	**433,775**	**286,913**	**-**	**-**	**720,688**
Result					
Segment results EBITDA (1)	110,557	65,891	(436)	(24,433)	151,579
Items reported to CODM not included in EBITDA					
Interest income	385	83	-	917	1,385
Interest expense	377	7	-	11,587	11,971
Depreciation and amortisation	121,766	67,222	-	411	189,399
Income tax benefit	-	-	-	(18,594)	(18,594)
Segment assets and liabilities					
Segment assets	697,367	475,053	14,563	105,989	1,292,972
Segment liabilities	232,137	101,882	54	243,207	577,280
Net assets	**465,230**	**373,171**	**14,509**	**(137,218)**	**715,692**
Other segment information					
Capital expenditure	60,110	49,590	3,046	-	112,746

1. Refer to Note 5(b) for the reconciliation of segment EBITDA result to profit / (loss) after tax.

Note 5: Segment information (continued)

(a) Segment Results, Segment Assets and Segment Liabilities (continued)

Year ended 31 December 2021	Golden Grove $'000	Capricorn Copper $'000	Exploration $'000	Unallocated operations and adjustments $'000	Total $'000
Revenue					
Copper concentrate	242,702	179,056	-	-	421,758
Zinc concentrate	124,669	-	-	-	124,669
Lead concentrate	40,075	-	-	-	40,075
Shipping revenue	7,351		-	-	7,351
Realised and unrealised fair value movements on receivables subject to QP adjustment	5,112	1,797	-	-	6,909
Total revenue	**419,909**	**180,853**	**-**	**-**	**600,762**
Result					
Segment results EBITDA [1]	161,333	73,277	(175)	(57,144)	177,291
Items reported to CODM included in EBITDA					
Transaction costs, including stamp duty [2]	-	-	-	44,694	44,694
Items reported to CODM not included in EBITDA					
Interest income	5	9	-	76	90
Interest expense	7,178	398	-	1,323	8,899
Depreciation and amortisation	67,926	32,089	-	109	100,124
Income tax benefit	-	-	-	(103,236)	(103,236)
Segment assets and liabilities					
Segment assets	693,308	542,431	12,682	66,758	1,315,179
Segment liabilities	153,652	147,666	45	244,280	545,643
Net assets	**539,656**	**394,765**	**12,637**	**(177,522)**	**769,536**
Other segment information					
Capital expenditure	78,809	19,076	490	612	98,987

1. Refer to Note 5(b) for the reconciliation of segment EBITDA result to profit / (loss) after tax.
2. Refer Note 8.

Note 5: Segment information (continued)

(b) Reconciliation of EBITDA to Profit / (Loss) after Tax

	Note	2022 $'000	2021 $'000
EBITDA	5(a)	151,579	177,291
Depreciation and amortization	6(b), 6(c)	(189,399)	(100,124)
Net foreign exchange loss – unrealized	6(f)	(4,172)	(17,993)
Net loss on derivative financial instruments	6(e)	(4,652)	(11,135)
Finance income	7	1,385	90
Interest expense and other cost of finance	7	(20,557)	(30,352)
Profit / (Loss) before tax		**(65,816)**	**17,777**
Income tax benefit		18,594	103,236
Profit / (Loss) after tax		**(47,222)**	**121,013**

(c) Geographical Information

Total Revenue		
China	58,970	17,902
South Korea	310,985	328,370
Australia	350,733	197,305
Taiwan	-	29,384
Other	-	27,801
Total revenue	**720,688**	**600,762**

The revenue information above is based on the delivery location for concentrate shipments to the customer.

One customer individually accounted for more than ten percent of total revenue during the year (2021: one customer).

Revenue from one customer represented approximately $433,774 thousand and $287,158 thousand of Golden Grove and Capricorn Copper total revenue, respectively, for the year ended 31 December 2022 (2021: one customer of $346,837 thousand and $154,146 thousand respectively).

	Note	2022 $'000	2021 $'000
Non-Current Assets			
Australia		875,454	910,910
Chile		14,490	12,948
		889,944	**923,858**

Non-Current Assets excludes deferred tax assets of $58,072 thousand (2021: $39,478 thousand). Refer to Note 9(c) for further information regarding deferred tax assets.

Note 6: Income and expenses

(a) Revenue

	2022 $'000	2021 $'000
Revenue from sale of concentrate (point in time)	698,102	586,502
Revenue from shipping services (over time)	15,911	7,351
Total revenue from contracts with customers	**714,013**	**593,853**
Realised and unrealised fair value movements on receivables subject to QP adjustment	6,675	6,909
Total revenue	**720,688**	**600,762**
(i) Revenue from contracts with customers by type of product/service		
Copper concentrate	516,475	421,758
Zinc concentrate	181,627	124,668
Lead concentrate	-	40,076
Shipping revenue	15,911	7,351
Total revenue from contracts with customers	**714,013**	**593,853**

Recognition and measurement

The Group is principally engaged in the business of producing base and precious metals mineral concentrates. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration the Group expects to receive in exchange for those goods. The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods before transferring them to the customer.

For the Group's mineral concentrates sales not sold under *Cost Insurance and Freight* ('**CIF**') Incoterms, the performance obligation is the delivery of the concentrate to customers. For the Group's mineral concentrates sales sold under CIF Incoterms, the Group is also responsible for providing freight/shipping services and the freight/shipping services represent separate performance obligations.

(i) Concentrate sales

Golden Grove (GG)

The majority of GG's sales of mineral in concentrate are sold under CIF and allow for price adjustments based on the market price at the end of the relevant quotational period ('**QP**') determined in accordance with the contract. These are referred to as provisional pricing arrangements where the selling price for the mineral concentrates is based on prevailing spot prices for the contained metal(s) on a specified future date after shipment to the customer. Adjustments to the sales price then occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP may vary between one- and five-months.

Revenue is recognised at the point in time when the mineral concentrate is physically transferred onto a vessel as the majority of GG's sales of mineral concentrates are sold under CIF terms. For certain export shipments, a holding certificate is issued by GG upon delivery of mineral concentrates to the GG concentrate storage facility at the Geraldton Port where the mineral concentrates are held unencumbered and at the unconditional disposal of the customer. The revenue is measured at the amount to which the Group expects to receive, being the estimate of the price expected to be received at the end of the QP, determined based on the forward prices.

For these provisional pricing arrangements, any future changes that occur during the QP are embedded within the provisionally priced trade receivables. Given the exposure to the commodity price, these provisionally priced trade receivables do not satisfy the cash flow characteristics test and are subsequently measured at fair value through the Consolidated Statement of Comprehensive Income until the date of settlement. These subsequent changes in fair value are recognised in the Consolidated Statement of Comprehensive Income for each period and presented in revenue. Changes in fair value until the end of the QP are estimated by reference to updated forward market prices for the metal contained in mineral concentrates as well as taking into account other relevant fair value considerations, including interest rates and credit risk adjustments. The period between provisional invoicing and the end of the QP may vary between one- and five-months.

Note 6: Income and expenses (continued)

(a) Revenue (continued)

(i) Concentrate sales (continued)

Capricorn Copper (CC)

For domestic sales, revenue is recognised at the point in time when the mineral concentrate is delivered over the weighbridge at the receiver's storage facility. For export shipments, revenue is recognised at the point in time when the mineral concentrate is physically transferred onto a vessel as these sales of mineral concentrates are sold under CIF terms. For certain export shipments, a holding certificate is issued by the CC upon delivery of mineral concentrates to a storage facility at the Townsville Port where the mineral concentrates are held unencumbered and at the unconditional disposal of the customer. The revenue is measured at the amount to which the Group expects to receive, being the estimate of the price expected to be received at the end of the QP, determined based on the forward prices.

For these provisional pricing arrangements, any future changes that occur during the QP are embedded within the provisionally priced trade receivables. Given the exposure to the commodity price, these provisionally priced trade receivables do not satisfy the cash flow characteristics test and are subsequently measured at fair value through the Consolidated Statement of Comprehensive Income until the date of settlement. These subsequent changes in fair value are recognised in the Consolidated Statement of Comprehensive Income each period and presented in revenue. Changes in fair value until the end of the QP, are estimated by reference to updated forward market prices for the metal contained in mineral concentrates as well as taking into account other relevant fair value considerations, including interest rate and credit risk adjustments. The period between provisional invoicing and the end of the QP may vary between one- and five-months.

(ii) Shipping services

For CIF arrangements, the transaction price (as determined above) is allocated to the metal in concentrate and shipping services using the relative stand-alone selling price method. Under these arrangements, a portion of consideration is received from the customer at, or around, the date of shipment under a provisional invoice. Therefore, some of the upfront consideration that relates to the shipping services yet to be provided is deferred. It is then recognised as revenue over time using an output method (being days of shipping/transportation elapsed) to measure progress towards complete satisfaction of the service as this best represents the Group's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Group as the services are being provided. The costs associated with these shipping services are also recognised over the same period of time as incurred.

Significant accounting judgements

(i) Point of revenue recognition

Golden Grove (GG)

Control of the product is transferred to the customer when the mineral concentrates are physically transferred onto a vessel as this coincides with the transfer of legal title and the risk and rewards of ownership as a majority of the GG's sales of mineral concentrates are sold under CIF. For certain export shipments, a holding certificate is issued by the customer upon delivery to a location where the mineral concentrates are held unencumbered and at the unconditional disposal of the customer.

Capricorn Copper (CC)

For domestic sales, control of the product is transferred to the customer when the mineral concentrates are physically delivered to a location under the customer's control, as this coincides with the transfer of legal title and the risk and rewards of ownership. For export shipments, control of the product is transferred to the customer when the mineral concentrates are physically transferred onto a vessel as this coincides with the transfer of legal title and the risk and rewards of ownership. For certain export shipments, a holding certificate is issued by the customer upon delivery to a location where the mineral concentrates are held unencumbered and at the unconditional disposal of the customer.

(ii) Variable consideration

Revenue for GG and CC is initially recognised based on the most recently determined estimate of metal contained in mineral concentrates using the expected value approach based on initial internal assay and weight results. The Group has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results. Subsequent changes in the fair value based on the customer's final assay and weight results are recognised in revenue at the end of the QP.

Note 6: Income and expenses (continued)

(b) Cost of sales

	2022 $'000	2021 $'000
Mining cost	284,455	213,289
Processing costs	136,826	94,419
Site services cost	54,013	37,684
Depreciation and amortisation	188,989	100,113
Stockpile movements	(17,995)	(25,580)
Government royalties	31,842	25,918
Other production and shipping costs	38,669	18,275
	716,799	**464,118**

(c) Administration expenses

Depreciation and amortisation	410	11
Other administration expenses	33,474	18,630
	33,884	**18,641**

(d) Other expenses

	Note	2022 $'000	2021 $'000
Transaction costs	8	-	18,260
Business combination costs – stamp duty	8	-	26,434
Credit loss on receivables		-	955
		-	**45,649**

(e) Net gain/(loss) on derivative financial instruments

Realised gain on derivative financial instruments	3,671	2,525
Unrealised loss on derivative financial instruments	(8,323)	(13,660)
	(4,652)	**(11,135)**

(f) Net foreign exchange gain/(loss)

Realised gain/(loss) on foreign exchange	(8,026)	4,543
Unrealised loss on foreign exchange	(4,172)	(17,993)
	(12,198)	**(13,450)**

Included in cost of sales, Administration expenses and other expenses is $76,183 thousand (2021: $47,212 thousand) for salaries and wages, and superannuation expense of $6,454 thousand (2021: $3,569 thousand).

Note 7: Net finance costs

	Note	2022 $'000	2021 $'000
Interest income		1,385	90
Finance income		**1,385**	**90**
Net finance cost relating to partner liabilities	40	-	(14,955)
Interest expense		(11,971)	(8,899)
Interest expense on lease liabilities	26	(1,713)	(1,253)
Loss on derecognition of bank borrowings		-	(1,075)
Amortisation of borrowing costs		(477)	(1,634)
Unwinding of discount on provision for rehabilitation	22	(4,711)	(2,536)
Other costs of finance		(1,685)	-
Interest expense and other costs of finance		**(20,557)**	**(30,352)**
Net finance costs		**(19,172)**	**(30,262)**

Recognition and measurement

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Net finance cost relating to partner liabilities reflect the classification of distributions of net assets to the GGLP partners and changes in net assets attributable to the GGLP partners as financial liabilities in accordance with AASB 132 *Financial Instruments: Presentation.* Accordingly, distributions to the partners in GGLP and changes in net assets attributable to partners in the GGLP are presented as finance costs in the Consolidated Statement of Comprehensive Income.

All borrowing costs, calculated using the effective interest method, are recognised in the Consolidated Statement of Comprehensive Income except where capitalised as part of a qualifying asset. Eligible borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's outstanding borrowings during the period. All other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

Note 8: Significant items

The Group considers that the items below are significant to understanding the overall results of the Group, and that disclosure of these items provides readers of the Consolidated Financial Statements with further meaningful insights regarding the Group's financial performance. Significant items are items of income and expense, which, due to their nature and variable financial impact, or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of the Group's results to aid in providing an understanding and comparative basis of the underlying financial performance.

	Note	2022 $'000	2021 $'000
Included within the balances presented in the Consolidated Statement of Comprehensive Income:			
— Transaction costs	6(d)	-	18,260
— Business combination costs – stamp duty	6(d), 21, 34	-	26,434
Significant items before tax		**-**	**44,694**
Applicable income tax benefit on above		-	(5,478)
Reset in tax base on entry into tax consolidated group	9(a)	-	(119,388)
Increase in net assets attributable to the partners of Golden Grove, LP	40	-	14,955
Significant items after tax		**-**	**(65,217)**

Note 8: Significant items (continued)

Transaction costs relating to 29Metals' initial public offering ('**IPO**') and business combination, and not directly related to the issue of equity instruments during the year ended 31 December 2021, of $18,260 thousand have been expensed in the year ended 31 December 2021 and are included in Other expenses. For the year ended 31 December 2021, transaction costs of $17,339 thousand before tax ($12,137 thousand after tax) directly related to the issue of shares has been netted off against share capital (refer to Note 29).

Stamp duty of $26,434 thousand relating to the business combination costs (refer to Note 34) has been expensed in the year ended 31 December 2021 and is included in Other expenses. This amount is outstanding at 31 December 2022 and was outstanding at 31 December 2021 (refer to Note 21).

For the year ended 31 December 2021, the tax cost base reset on entry into the 29Metals tax consolidated group ('**TCG**') was a $119,388 thousand income tax benefit.

Note 9: Taxes

(a) Income tax benefit

	Note	2022 $'000	2021 $'000
The major components of income tax expense are:			
Current income tax benefit / (charge)		28,514	(6,563)
Deferred income tax relating to temporary differences		(9,949)	106,623
Adjustment in respect of income and deferred tax of prior year:			
— Current tax		-	529
— Deferred tax		29	2,647
Income tax benefit		**18,594**	**103,236**
Reconciliation of income tax expense to accounting profit:			
Accounting profit / (loss) before income tax		(65,816)	17,777
Income tax at the Australian tax rate of 30% (2021: 30%)		19,745	(5,333)
Increase / (decrease) in income tax expense due to:			
Non-deductible expenses		(1,180)	(9,388)
Reset of tax base on entry into tax consolidated group	8	-	119,388
Adjustment in respect of income and deferred tax of prior year		29	3,193
Increase in net assets attributable to the partners of Golden Grove, LP	7, 40	-	(4,486)
Other		-	(138)
Income tax benefit		**18,594**	**103,236**

(b) Income tax (benefit) recognised directly in equity

Deferred income tax related to items charged directly to equity			
Transaction costs	29	-	5,202
Income tax (benefit) recorded in equity		-	**5,202**

Note 9: Taxes (continued)

(c) Recognised tax assets and liabilities

	Note	2022 $'000	2021 $'000
Movement in deferred income tax			
Opening balance		39,478	(41,561)
Credited to profit or loss		18,594	109,270
Charged to equity	9(b)	-	5,202
Acquired through business combination	34	-	(33,416)
Other		-	(17)
Closing balance		**58,072**	**39,478**
Deferred tax assets / (liabilities) comprises temporary differences attributable to:			
Deferred tax assets			
Provision for employee benefits		4,293	3,354
Provision for rehabilitation and restoration		40,562	46,503
Property, plant and equipment		15,460	13,975
Capitalised expenditure		4,944	6,592
Tax loss carried forward		41,579	13,065
Other		13,028	315
		119,866	**83,804**
Deferred tax liabilities			
Property, plant and equipment including assets under construction		-	(5,675)
Exploration expenditure		(3,517)	(7,784)
Mine properties		(46,617)	(22,331)
Other		(11,660)	(8,536)
		(61,794)	**(44,326)**
Net deferred tax assets / (liabilities)		**58,072**	**39,478**
Income tax receivable		**-**	**15,042**

The Group's deferred tax assets at 31 December 2022 include $41,579 thousand relating to tax losses carried forward (31 December 2021: $13,065 thousand). The Group has assessed forecast business performance and determined to continue to recognise a net deferred tax asset which includes tax losses and other deductible timing differences, on the basis that it is probable the Group will generate sufficient taxable profit in the future to utilise the recognised deferred tax asset.

The Group's estimates regarding future taxable profits are based on various assumptions and estimates, including estimated future production, estimated future sales volumes under existing offtake agreements, long-term commodity prices and foreign exchange rates applying published consensus forecasts, and estimates of future operating costs, restoration costs, and capital expenditures. Changes in these estimates and assumptions may impact the amount of deferred tax assets recognised in future periods in the Statement of Financial Position, and any movements in these balances recognised through the Statement of Comprehensive Income.

In assessing the probability of the utilisation of the tax losses in future periods, 29Metals considers there to be convincing further evidence to support the recoverability of these tax losses, including:

(i) the probability of taxable profits being available based on the Group's long term mine plans, including:

- the planned ramp up in production from the high-grade Xantho Extended orebody at Golden Grove.
- identified organic growth opportunities within the Group, including the Gossan Valley and Cervantes projects.
- the increasing grade profile at Capricorn Copper.

(ii) taxable temporary differences are expected to reverse, resulting in taxable amounts against which unused tax losses can be utilised.

Note 9: Taxes (continued)

(c) Recognised tax assets and liabilities (continued)

(iii) the effect of the Restructure and IPO Transactions which occurred in June and July 2021 which are non-recurring:

- tax consolidation of the entities in the Group and related tax cost setting process resulted in higher tax cost base for tax depreciation, which tax cost base is expected to decrease over time.
- tax deductibility of the Restructure and IPO Transactions costs over five years.

(iv) tax planning opportunities may be available to the Group in the future which, in turn, may accelerate the utilisation of deferred tax assets, including accumulated tax losses.

(d) Unrecognised deferred tax assets

Tax losses relating to Capricorn Copper of $186,612 thousand ($55,983 thousand tax effected) at 31 December 2022 (2021: $186,612 thousand tax losses and $55,983 thousand tax effected) have not been recognised because 29Metals has assessed that the utilisation of these tax losses is not probable. The unrecognised tax losses are subject to an available fraction tax loss utilisation rate.

(e) Tax consolidation

From 11 December 2017 to 4 July 2021, GGLP Group were part of a TCG, with GGLP as the head entity of that TCG.

29Metals formed a TCG with effect from 7 June 2021. 29Metals is the head entity of the TCG. Each of the following entities joined the 29Metals TCG on the dates set out below.

	Date joined TCG
Capricorn Copper Holdings Pty Ltd and its wholly owned subsidiaries	7 June 2021
Lighthouse Minerals Pty Ltd	7 June 2021
29Metals Finance Pty Ltd	5 July 2021
Golden Grove Holdings (No. 1) Pty Ltd	5 July 2021
Golden Grove, LP (and its wholly owned subsidiaries)	5 July 2021

Members of the 29Metals TCG have entered into a Tax Sharing Deed that determines the income tax liabilities between the entities should the head entity default on its tax payment obligations. In accordance with the Tax Sharing Deed, the company is required to determine the contribution amount for each member of the TCG on a stand-alone basis. Possibility of default by the head entity is considered remote.

Tax expense or benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the TCG are recognised in the separate financial statements of the members of the TCG using the ‘stand-alone taxpayer’ approach. Deferred tax on temporary differences is measured in the separate financial statements on tax bases as determined by the TCG.

Members of the TCG have entered into a Tax Funding Deed that determines the amount payable by each member for their portion of the group’s current tax and deferred tax liability. The Tax Funding Deed provides that each member’s funding amount is calculated as if the member was a stand-alone entity of the TCG.

Recognition and measurement

The income tax expense or benefit for a period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses, and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on the tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Note 9: Taxes (continued)

(e) Tax consolidation (continued)

Recognition and measurement (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Significant accounting estimates and assumptions

Significant estimates and assumptions are required in relation to the provision for taxes and the recovery of tax assets, having regard to the nature and timing of their origination and compliance with the relevant tax legislation.

Note 10: (Loss) / earnings per share ('**EPS'**)

(a) Basic (loss)/earnings per share

	2022	2021
Net (loss) / profit attributable to ordinary shareholders ($'000)	(47,222)	121,013
Weighted average number of ordinary shares	481,175,326	249,160,770
Basic (loss) / earnings per ordinary share (cents)	**(9.8)**	**48.5**

(b) Diluted (loss)/earnings per share

	2022	2021
Net (loss) / profit attributable to ordinary shareholders ($'000)	(47,222)	121,013
Weighted average number of ordinary shares	481,175,326	250,049,695
Diluted (loss) / earnings per ordinary share (cents)	**(9.8)**	**48.4**

(c) Weighted average number of shares used as the denominator (basic)

	2022	2021
Weighted average number of ordinary shares for the year ended 31 December	481,175,326	249,160,770

(d) Weighted average number of shares used as the denominator (diluted)

	2022	2021
Weighted average number of ordinary shares for the year ended 31 December (basic)	481,175,326	249,160,770
Performance rights on issue at 31 December	-[(1)]	888,925
Weighted average number of ordinary shares for the year ended 31 December (diluted)	481,175,326	250,049,695

1. In 2022, the potential ordinary shares are anti-dilutive and on that basis have not been included in the calculation of dilutive loss per share.

Note 11: Dividends

The following fully franked dividends were declared and paid by the Company during the year.

	2022	2021
	$'000	$'000
2 cents per ordinary share, interim dividend determined by the Directors on 29 August 2022 and paid on 14 October 2022	9,627	-

Dividend franking account balance

Franking credits at 30% as at 31 December 2022 available for subsequent financial years is $19,756 thousand (2021: $23,962 thousand).

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits/debits that will arise from the payment of the current tax liabilities / receipt of income tax receivable;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
(c) franking credits that will arise from the receipt of dividends recognised as receivables by the TCG at the year-end; and
(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise franking credits is dependent upon there being sufficient available profits to declare dividends.

In accordance with the tax consolidation legislation, the Company as the head entity in the TCG has also assumed the benefit of $19,756 thousand franking credits (2021: $23,962 thousand).

Note 12: Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of net profit for the year to cash inflows from operating activities

	Note	2022 $'000	2021 $'000
Net profit/(loss) from ordinary activities after income tax		(47,222)	121,013
Adjustment for:			
Depreciation and amortisation		189,399	100,124
Gain on sale of property, plant and equipment		-	(70)
Net realisable value write-down for zinc concentrate stockpiles		-	(1,985)
Movement in foreign exchange rates		7,622	7,599
Rehabilitation and restoration provision accretion	22	4,711	2,536
Interest and other costs of finance accrued		13,656	9,974
Derivative financial instruments movement		(22,936)	(13,245)
Amortisation of capitalised borrowing costs		477	1,634
Credit loss on trade receivables		-	954
Share-based payment transaction	35	3,196	1,941
Expenses settled by issue of shares	29	-	710
Foreign exchange Reserve		(191)	(51)
Movement in net assets attributable to partners in Golden Grove, LP	7, 40	-	14,955
Other		300	780
Changes in working capital:			
Trade and other receivables		(11,441)	(10,770)
Prepayments		(1,185)	(7,570)
Inventories		(23,360)	(25,859)
Trade and other payables		38,415	(3,347)
Provisions		7,801	3,480
Deferred tax assets		(18,594)	(109,046)
Income tax receivable		15,042	(18,659)
Net cash inflows from operating activities		**155,690**	**75,098**

(b) Non-cash financing and investing activities

Non-cash financing and investing activities during the year ended 31 December 2022 was in respect of lease additions. Refer below for further details.

Non-cash financing and investing activities during the year ended 31 December 2021 were as follows:

- Acquisition of Redhill Mining Group
  The acquisition of Redhill Mining Group by means of a share issue with a fair value of $12,108 thousand on 2 July 2021. Refer to Note 33 for further information.
- New Group corporate syndicated debt facilities:
  - In October 2021, 29Metals established new Group corporate syndicated debt facilities, including a US$150,000 thousand term facility. The new term facility was fully drawn at financial close to settle an existing (pre-IPO) GGLP, Group US$150,000 thousand debt facility. There was no movement of cash in this transaction.
  - The new Group corporate syndicated debt facilities included a bank guarantee facility. In November 2021, the bank guarantee facility was utilised to post new environmental bonds for Capricorn Copper, comprising $57,464 thousand in new bank guarantees, replacing an existing $35,974 thousand bank guarantee issued by a financial lender under an arrangement between Capricorn Copper and Trafigura Pte Ltd. The arrangement with Trafigura Pte Ltd included an indemnity by Capricorn Copper in favour of Trafigura Pte Ltd. The indemnity and the prior bank guarantee were discharged upon posting of the new bank guarantee.

Refer to Note 25 for further information.

Note 12: Notes to the Consolidated Statement of Cash Flows (continued)

(b) Non-cash financing and investing activities (continued)

Reconciliation of liabilities arising from financing activities

			Non-cash changes						
	1 January 2022 $'000	Cash Flows $'000	Interest $'000	Leases recognised during the year $'000	Business combination $'000	Foreign Exchange Movement $'000	Reassessment $'000	Other $'000	31 December 2022 $'000
Interest bearing liabilities	(201,617)	32,539	(11,971)	-	-	(12,433)	-	(4,877)	(198,359)
Lease liabilities	(31,426)	32,047	-	(67,676)	-	-	(62)	-	(67,117)
Total liabilities from financing activities	**(233,043)**	**64,586**	**(11,971)**	**(67,676)**	**-**	**(12,433)**	**(62)**	**(4,877)**	**(265,476)**

			Non-cash changes						
	1 January 2021 $'000	Cash Flows $'000	Interest $'000	Leases recognised during the year $'000	Business combination $'000	Foreign Exchange Movement $'000	Reassessment $'000	Other $'000	31 December 2021 $'000
Interest bearing liabilities	(220,270)	99,079	(8,899)	-	(53,976)	(13,428)	-	(4,123)	(201,617)
Lease liabilities	(24,069)	26,706	-	(5,826)	(16,844)	-	(11,393)	-	(31,426)
Net assets attributable to partners in Golden Grove, LP	(168,599)	-	-	-	-	-	-	168,599 (1)	-
Total liabilities from financing activities	**(412,938)**	**125,785**	**(8,899)**	**(5,826)**	**(70,820)**	**(13,428)**	**(11,393)**	**164,476**	**(233,043)**

1. Refer to Note 40.

Assets and Liabilities

Note 13: Trade and other receivables

	2022 $'000	2021 $'000
Current		
Trade receivables – at fair value	46,596	36,182
Trade receivables – at amortised cost	656	1,050
Allowance for expected credit loss	(1,050)	(1,050)
Other receivables – at amortised cost	5,309	3,823
Security deposits – at amortised cost	119	184
Total current trade and other receivables	**51,630**	**40,189**

Trade receivables (subject to provisional pricing) are non-interest bearing, are exposed to future commodity price movements over the QP and, hence, do not satisfy the *solely payments of principal and interest* ('**SPPI**') test, and, as a result, are measured at fair value up until the date of settlement. These trade receivables are initially measured at the amount which the Group expects to receive, being the estimate of the price expected to be received at the end of the QP.

Approximately 90 - 100% of the provisional invoice (based on the provisional price (calculated as the average price in the week prior to delivery)) is received in cash when the goods are loaded onto the ship or accepted by the buyer under a holding certificate, which reduces the initial receivable recognised. The QP's can range between one- and five-months post shipment and final payment is due within 30 days from the end of the QP.

Recognition and measurement

Trade receivables are carried at fair value. Provisional payments in relation to trade receivables are due for settlement within 30 days from the date of recognition, with any mark-to-market adjustment due for settlement usually from 30-120 days.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business, if longer), trade and other receivables are classified as current assets. If not, they are presented as non-current assets.

The Group recognises an allowance for Expected Credit Loss ('**ECL**') for all receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate ('**EIR**'). For receivables due in less than 12 months, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The ECL is based on its historical credit loss experience in the past two years, current financial difficulties of the debtor and is adjusted for forward-looking factors specific to the debtor and the economic environment. As at 31 December 2022, $1,050 thousand (2021: $1,050 thousand) has been provided for.

The Group considers a receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when the asset is past due for more than one year and not subject to enforcement activity.

Note 14: Derivative financial instruments

The Group's derivative financial instruments are not designated as hedging instruments and, as such, accounted for at fair value with movements in fair value recognised through the Consolidated Statement of Comprehensive income. While the Group's derivative financial instruments are not designated as hedging instruments they are used by the Group to manage commodity price risk.

Derivatives are presented as current to the extent they are expected to be settled within 12 months after the end of the reporting period.

(a) Gold swaps

	Note	2022 $'000	2021 $'000
Amounts recognised in the Consolidated Statement of Financial Position as financial assets/(liabilities)			
Gold swaps (at fair value) – current		(1,354)	1,037
Gold swaps (at fair value) – non-current		(5,428)	504
Total Derivative financial assets/(liabilities)	27	**(6,782)**	**1,541**

The Group has entered into the following derivative contracts.

Gold swap contracts	Term	Ounces	Contract Price $ per ounce	Fair value at 31 Dec 2022 $'000
As at 31 December 2022				
Gold swap – AU$ denominated contract	Feb 2023 – Oct 2025	14,284	2,595.44	(3,110)
Gold swap – AU$ denominated contract	Jan 2023 – Sep 2025	14,284	2,584.17	(3,490)
Gold swap – AU$ denominated contract	Jan – Sep 2023	728	2,595.44	(87)
Gold swap – AU$ denominated contract	Jan – Sep 2023	728	2,584.17	(95)
		30,024		**(6,782)**

Gold swap contracts	Term	Ounces	Contract Price $ per ounce	Fair value at 31 Dec 2021 $'000
As at 31 December 2021				
Gold swap – AU$ denominated contract	Feb 2022 – Oct 2025	19,540	2,595.44	658
Gold swap – AU$ denominated contract	Jan 2022 – Sep 2025	19,540	2,584.17	514
Gold swap – AU$ denominated contract	Jan 2022 – Jul 2023	2,323	2,595.44	198
Gold swap – AU$ denominated contract	Jan 2022 – Jul 2023	2,323	2,584.17	171
		43,726		**1,541**

The maximum credit exposure at the date of measurement of these derivative financial instruments is the carrying value. The Group mitigates the risk by entering into swaps contracts with reputable counterparties and partners.

The commodity swaps are valued using valuation techniques which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward price curves of the underlying commodity.

Note 14: Derivative financial instruments (continued)

(b) Copper forward contracts – derivative financial liabilities

	Note	2022 $'000	2021 $'000
Amounts recognised in the Statement of Financial Position as financial liabilities			
Copper forward contracts at fair value - current		-	31,259
Total derivative financial liabilities	27	**-**	**31,259**

There were no copper forward contracts outstanding at 31 December 2022. Outstanding copper forward contracts at 31 December 2021 are set out below.

Copper forward contracts	Term	Tonnes	Contract Price $ per tonne	Fair value at 31 Dec 2021 $'000
As at 31 December 2021				
Copper forward contract – US$ denominated contract	Jan – Mar 2022	2,394	8,957	(10,613)
Copper forward contract – US$ denominated contract	Apr – Jun 2022	2,403	9,007	(10,399)
Copper forward contract – US$ denominated contract	July – Sep 2022	2,403	9,007	(10,247)
		7,200		**(31,259)**

Note 15: Inventories

	2022 $'000	2021 $'000
Concentrates	41,157	24,184
Ore stockpiles	32,205	31,183
Consumables	29,409	23,063
Provision for obsolete stock – consumables	(3,293)	(2,312)
Inventories	**99,478**	**76,118**

All inventory is valued at cost.

Recognition and measurement

Inventories comprise raw materials, stores and consumables, work in progress, and finished goods. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs include the costs of direct materials, mining, processing, labour, related transportation costs to the point of sale, an appropriate proportion of related production overheads, mine rehabilitation costs incurred in the extraction process, and other fixed and variable costs directly related to mining activities.

Note 16: Other financial assets

	Note	2022 $'000	2021 $'000
Current			
Bank deposit	21, 39(b)	12,500	12,682
Security deposit		18	1,832
Other financial assets		**12,518**	**14,514**

Refer to Note 39(b) for information regarding contingent liabilities and to Note 21 for information regarding other payables.

Note 17: Exploration and evaluation expenditure

	Note	2022 $'000	2021 $'000
Balance at the beginning of the year		45,463	25,975
Addition from asset acquisition	33	-	12,098
Expenditure for the year		16,916	7,979
Transferred to Mine properties	18	(29,196)	(573)
Foreign currency exchange difference		(14)	(16)
Balance at the end of the year		**33,169**	**45,463**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals, or the sale of the respective areas of interest.

The Group did not recognise any impairment charges during the current or previous reporting period.

Recognition and measurement

Exploration and evaluation activities include expenditure to identify potential Mineral Resources, determine the technical feasibility and assess the commercial viability of the potential Mineral Resources.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the Consolidated Statement of Financial Position where it is expected that the expenditure will be recovered through the successful development of an area of interest, or by its sale, or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred on that area of interest is written off in the year in which the decision is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment occurs when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Once the technical feasibility and commercial viability of the extraction of Mineral Resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine properties.

No amortisation is charged during the exploration and evaluation phase.

Note 18: Mine properties

	Note	2022 $'000	2021 $'000
Balance at the beginning of year		605,284	210,831
Development expenditure incurred during the year		45,804	50,058
Transfers from property, plant and equipment	19	14,990	5,222
Transfers from exploration and evaluation assets	17	29,196	573
Addition from business combination	34	-	370,377
Movements in rehabilitation obligations	22	(24,517)	20,829
Amount amortised during the year		(92,756)	(52,606)
Balance at the end of year		**578,001**	**605,284**

	2022 $'000	2021 $'000
Gross carrying amount – at cost	795,291	729,818
Accumulated depreciation and amortization	(217,290)	(124,534)
Net carrying amount	**578,001**	**605,284**

Recognition and measurement

Mine property and development assets include costs incurred in accessing the ore body and costs to develop the mine to the production phase, once the technical feasibility and commercial viability of a mining operation has been established. At this stage, exploration and evaluation assets are reclassified to mine properties.

Mine property and development assets are stated at historical cost less accumulated amortisation and any accumulated impairment losses recognised. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant) borrowing costs. Any ongoing costs associated with mining which are considered to benefit mining operations in future periods are capitalised.

The balance for mine property and development assets includes mine development assets and the expected cost for the decommissioning, restoration and dismantling of an asset after its use.

Amortisation

Development expenditure is amortised over the estimated useful life of the mine on a unit of production basis. The unit of production method is applied based on assessments of Proven and Probable Ore Reserves and a portion of Mineral Resources expected to be extracted.

Mineral rights are attributable to specific areas of interest and are amortised when commercial production commences on a units of production basis over the estimated economically recoverable reserves of the mine to which the rights relate.

Resource and Reserves estimates are reviewed annually. The depreciation and amortisation expense calculation reflect the estimates in place at the reporting date, prospectively.

Significant accounting estimates and assumptions

Mineral Resources and Ore Reserves estimates

On or about the date of this report, 29Metals reported its 31 December 2022 Mineral Resources and Ore Reserves estimates, prepared and reported in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (2012 Edition) (the '**JORC Code**').

29Metals' 31 December 2022 Mineral Resources and Ore Reserves estimates, including competent persons' statements and JORC Code table disclosures, were released to the ASX announcements platform on or about the date of this report and are available on 29Metals' website at: https://www.29metals.com/investors/reports-presentations.

Changes to 29Metals' Mineral Resources and Ore Reserves estimates, as reported in the 31 December 2022 Mineral Resources and Ore Reserves estimates, do not have a material impact on the Group life of mine plans or depreciation and amortisation expense.

The Group did not recognise any impairment charges during the current period or prior corresponding period.

Refer to Note 25 for information regarding encumbrances relating to mine properties.

Note 19: Property, plant & equipment

	Note	Land and buildings $'000	Plant and machinery $'000	Capital work in progress $'000	Total $'000
As at 31 December 2022					
Gross carrying amount – at cost					
Balance at the beginning of year		45,077	249,971	35,290	330,338
Additions		-	1,882	48,144	50,026
Transfers		1,090	45,931	(47,021)	-
Transfers to Mine properties	18	-	-	(14,990)	(14,990)
Disposals		-	(749)	-	(749)
Balance at the end of year		**46,167**	**297,035**	**21,423**	**364,625**
Accumulated depreciation					
Balance at the beginning of year		(16,062)	(78,320)	-	(94,382)
Depreciation for the year		(6,238)	(57,585)	-	(63,823)
Disposals		-	701	-	701
Balance at the end of year		(22,300)	(135,204)	-	(157,504)
Net book value		**23,867**	**161,831**	**21,423**	**207,121**
As at 31 December 2021					
Gross carrying amount – at cost					
Balance at the beginning of year		34,445	143,464	40,033	217,942
Additions		534	918	39,498	40,950
Acquisitions through business combinations	34	9,175	62,900	4,593	76,668
Transfers		923	42,689	(43,612)	-
Transfers to Mine properties	18	-	-	(5,222)	(5,222)
Balance at the end of year		**45,077**	**249,971**	**35,290**	**330,338**
Accumulated depreciation					
Balance at the beginning of year		(13,155)	(60,794)	-	(73,949)
Depreciation for the year		(2,907)	(17,526)	-	(20,433)
Balance at the end of year		(16,062)	(78,320)	-	(94,382)
Net book value		**29,015**	**171,651**	**35,290**	**235,956**

Refer to Note 25 for information regarding encumbrances in relation to property, plant and equipment.

Note 19: Property, plant & equipment (continued)

Recognition and measurement

(i) Cost

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, and costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company. The cost of property, plant and equipment includes the estimated cost of rehabilitation, restoration and dismantling.

(ii) Depreciation and amortisation

The major categories of property, plant and equipment are depreciated over the estimated useful lives of the relevant assets on a unit of production or reducing balance basis, as specified below. The useful lives below are subject to the lesser of the asset categories' useful life and the life of the mine:

Freehold land	Not depreciated
Buildings	Reducing balance 10% and straight-line 10%
Plant and machinery (mining and processing)	Unit of production (tonnes mined and milled) or straight line/reducing balance over the useful life of the asset as applicable
Construction in progress	Not depreciated

Depreciation and amortisation commences when an asset is available for use.

The unit of production method is applied based on estimates of *Proven* and *Probable* Ore Reserves and a portion of Mineral Resources considered probable for extraction. Ore Reserves and Mineral Resources estimates are reviewed annually.

The depreciation and amortisation expense calculation reflect the Ore Reserves and Mineral Resources estimates as at the reporting date.

Major spare parts are carried as property, plant and equipment when the Group expects to use them during more than one year, or when they can be used only in connection with an item of property, plant and equipment. The carrying amount of any part replaced is subsequently derecognised. All other repairs and maintenance are expensed in the Consolidated Statement of Comprehensive Income during the accounting year in which they are incurred.

(iii) Disposal of property, plant and equipment

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Comprehensive Income.

(iv) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use, and which are largely independent of the cash inflows of other assets or groups of assets – the cash-generating unit ('**CGU**'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal ('**FVLCD**'). In assessing FVLCD, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are allocated such that the carrying value of individual assets within the Group's CGUs are not reduced below their recoverable amount.

Significant accounting estimates and assumptions

Impairment of non-financial assets

Impairment assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. In such circumstances, some or all of the carrying amount of the assets/CGUs may be further impaired or the impairment charge reduced with the impact recognised in the Consolidated Statement of Comprehensive Income.

No indicators for impairment were identified during the year ended 31 December 2022 (31 December 2021: nil).

Note 20: Right-of-use assets

The Group has contracts which contain a lease for various items of land and buildings and plant and machinery used in its operations. These right-of-use assets have lease terms of between two and five years. There are several contracts which contain a lease that include extension and termination options and variable payments, which are further discussed below.

The Group also has certain contracts which contain a lease term of 12 months or less, and contracts which contain a lease of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these (together '**Exempt Leases'**).

(a) Amounts recognised in the Consolidated Statement of Financial Position

Right-of-use assets

	Note	Land & Buildings $'000	Plant and Equipment $'000	Total $'000
As at 1 January 2022		**850**	**30,329**	**31,179**
Right-of-use assets recognised during the year		1,026	67,414	68,440
Reassessment		12	82	94
Amortisation expensed during the year		(401)	(32,373)	(32,774)
As at 31 December 2022		**1,487**	**65,452**	**66,939**
As at 1 January 2021		**499**	**24,602**	**25,101**
Right-of-use assets recognised during the year		558	5,267	5,825
Right-of-use assets – acquisition through business combinations	34	-	16,844	16,844
Reassessment		-	10,483	10,483
Amortisation expensed during the year		(207)	(26,867)	(27,074)
As at 31 December 2021		**850**	**30,329**	**31,179**

(b) Amounts recognised in the Consolidated Statement of Comprehensive Income

	Note	2022 $'000	2021 $'000
Amortisation expense on right-of-use assets	20(a)	32,774	27,074
Interest expense on lease liabilities	26	1,713	1,253
Payments for short-term leases and variable lease payments		5,874	4,934

The total cash outflow for leases in 2022 was $39,634 thousand (2021: $32,893 thousand).

The variable lease payments relate to contracts which are based on usage (tonnes moved and equipment hired).

Refer to Note 26 for Lease liabilities.

Recognition and measurement – Group as lessee

At contract inception, the Group assesses whether a contract is, or contains, a lease under AASB16. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except Exempt Leases. The Group recognises lease liabilities to make lease payments and lease assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises Right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of Right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised Right-of-use assets are depreciated on a straight-line basis over the shorter period of its estimated useful life and the lease term (two to five years). Right-of-use assets are subject to ongoing impairment assessments.

Note 20: Right-of-use assets (continued)

Recognition and measurement – Group as lessee (continued)

(ii) Lease liabilities

At the commencement date of the contract identified as containing a lease, the Group recognises Lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that are based on an index or rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate ('**IBR**', refer discussion below) at the lease commencement. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets comprise office equipment.

Significant accounting judgements

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). This determination is reviewed if a significant event or a significant change in circumstances occurs that is within the control of the lessee.

Significant accounting estimates and assumptions

Estimation of the incremental borrowing rate to measure Lease liabilities

The Group cannot readily determine the interest rate implicit in its leases. Therefore, it uses the relevant IBR to measure Lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease.

Refer to Note 26 for Lease liabilities.

Note 21: Trade and other payables

	Note	2022 $'000	2021 $'000
Trade payables		56,840	24,420
Accruals:			
Operational		42,959	37,050
Government royalties		8,195	10,286
Government stamp duty	8	26,434	26,434
Other payable	16, 39(b)	12,500	12,500
Other creditors		677	666
Goods received not invoiced		3,160	3,722
		150,765	**115,078**

Recognition and measurement

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Note 22: Provisions

	Note	2022 $'000	2021 $'000
Current			
Employee benefits		17,927	10,480
Other		-	70
		17,927	**10,550**
Non-current			
Provision for rehabilitation and restoration		135,207	155,013
Employee benefits		1,123	700
		136,330	**155,713**
Total provisions		**154,257**	**166,263**
Movement in rehabilitation and restoration			
Carrying amount at the beginning of the financial year		155,013	64,982
Increase from business combination	34	-	66,666
Change in restoration provision	18	(24,517)	20,829
Unwinding of discount	7	4,711	2,536
Carrying amount at the end of the financial year		**135,207**	**155,013**

At 31 December 2022, the Capricorn Copper rehabilitation and restoration provision was reassessed to $58,502 thousand (2021: $66,666 thousand). At 31 December 2022, the Golden Grove rehabilitation and restoration provision was reassessed to $76,705 thousand (2021: $88,348 thousand).

Recognition and measurement

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Note 22: Provisions (continued)

Recognition and measurement (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense.

Mine Rehabilitation, Restoration and Dismantling Obligations

Provisions are made for the estimated cost of rehabilitation, restoration and dismantling relating to areas disturbed during the mine's operations up to the reporting date, but not yet rehabilitated. Provision has been made in full for all the disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of recontouring, top soiling and revegetation to meet legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations that will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates. The amount of the provision relating to mine rehabilitation, restoration and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets to date, where a legal or constructive obligation exists at that time.

The provision is recognised as a liability, separated into current (estimated costs arising within 12 months) and non-current components, based on the expected timing of these cash flows. A corresponding asset is included in mine properties, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, otherwise a corresponding expense is recognised in the Consolidated Statement of Comprehensive Income.

At each reporting date, the rehabilitation liability is remeasured in line with changes in discount rates, and the expected timing or amounts of the costs to be incurred. Rehabilitation, restoration and dismantling provisions are adjusted for changes in estimates. Adjustments to the estimated amount and timing of future rehabilitation and restoration cash flows are a normal occurrence in light of the significant judgements and estimates involved. Changes in the liability relating to mine rehabilitation, restoration and dismantling obligations are added to or deducted from the related asset, other than the unwinding of discount on provisions, which is recognised as a finance cost in the Consolidated Statement of Comprehensive Income. Changes to capitalised costs result in an adjustment to future depreciation charges.

Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and other short-term benefits expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long-term employee benefits

The liability for long-term employee benefits including long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to future expected wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Incentive plans

A provision is recognised for the amount expected to be paid under short-term or long-term incentive plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Significant accounting estimates and assumptions

Mine Rehabilitation, Restoration and Dismantling Obligations

Provision is made for the anticipated costs of future restoration, rehabilitation and dismantling of mining areas from which natural resources have been extracted in accordance with the accounting policy. These provisions include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value.

The calculation of these provision estimates requires assumptions such as the application of environmental legislation, the scope and timing of planned activities, available technologies, engineering cost estimates and discount rates. A change in any of the assumptions used may have a material impact on the carrying value of mine rehabilitation, restoration and dismantling provisions. For non-operating sites, changes to estimated costs are recognised immediately in the Consolidated Statement of Comprehensive Income.

Note 22: Provisions (continued)

Significant accounting estimates and assumptions (continued)

Mine Rehabilitation, Restoration and Dismantling Obligations (continued)

The discount rate used in the calculation of the provision as at 31 December 2022 equalled 3.5% (2021: 1.76%). The cash flows have been discounted over a 26-year life for Capricorn Copper (2021: 26 years) and 25 years life for Golden Grove (2021: 25 years), taking into account when the rehabilitation activities will be undertaken.

Sensitivity

A 0.5 per cent increase in the discount rates applied at 31 December 2022 would result in a decrease to the rehabilitation and restoration provision of approximately $8,107 thousand, and a decrease in Mine properties of approximately $8,107 thousand. In addition, the change would result in a decrease of approximately $679 thousand to depreciation expense and a $351 thousand increase in net finance costs for the year ending 31 December 2023.

Given the long-life nature of the majority of the Group's assets, a substantial portion of final closure activities are generally not expected to occur for a significant period of time.

Capital structure and financial risk management

Note 23: Capital management

The Group's policy is to maintain a strong balance sheet position to support its growth objectives, and to maintain investor, creditor and market confidence.

The Board monitors its policies and, when required, makes adjustments to these policies in light of changes to economic conditions. Management regularly monitors key financial indicators and compliance with debt covenants under Group corporate debt facilities.

One of the ratios the Group uses in monitoring capital is the ratio of 'Net Drawn Debt' to equity. Net Drawn Debt is amounts drawn under Group debt facilities less cash and cash equivalents. 29Metals uses this measure to understand its overall credit position. Cash and cash equivalents may be required for purposes other than debt reduction.

The Group's gearing ratio is calculated as Net Drawn Debt divided by the aggregate of Equity and Net Drawn Debt.

	2022	2021
	$'000	$'000
Net Drawn Debt	26,397	3,499
Equity	715,692	769,536
Equity and Net Drawn Debt	742,089	773,035
Gearing ratio	3.56%	0.45%

The Group is not exposed to any external capital requirements.

Note 24: Cash and cash equivalents

	2022	2021
	$'000	$'000
Cash on hand and at bank	171,962	197,472

Recognition and measurement

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash.

Note 25: Interest-bearing liabilities

	2022	2021
	$'000	$'000
Current		
Insurance premium funding	-	646
Syndicated Facility – Term loan	33,742	14,808
Total current borrowings	**33,742**	**15,454**
Non-current		
Syndicated Facility – Term loan	164,617	186,163
Total non-current borrowings	**164,617**	**186,163**
Total borrowings	**198,359**	**201,617**

In October 2021, the Group entered into new corporate debt facilities, including a US$150,000 thousand term loan. The term loan was used to fully repay the GGLP Group Syndicated Facility (which was refinanced in the year ended 31 December 2020). During the year ended 31 December 2022, the Group repaid US$12,000 thousand principal of the term loan.

During the year ended 31 December 2021, the Group repaid $81,556 thousand of the interest-bearing liabilities which includes the borrowings acquired in the business combination as described in Note 34.

Terms and conditions of outstanding Group Syndicated Facilities

Facilities as at 31 December 2022

		Total Facility	Used	Unused	Total Facility	Used	Unused
	Note	USD $'000	USD $'000	USD $'000	AUD $'000	AUD $'000	AUD $'000
Term loan	(i)	138,000	138,000	N/a	198,359	198,359	N/a
Working capital facility	(ii)	40,000	-	40,000	59,000	-	59,000
Environmental bank guarantee facility	(iii)	N/a	N/a	N/a	58,000	57,464	536
Letter of credit facility	(iv)	N/a	N/a	N/a	2,000	1,864	136
Credit cards facility		N/a	N/a	N/a	310	50	260
		178,000	**138,000**	**40,000**	**317,669**	**257,737**	**59,932**

Facilities as at 31 December 2021

		Total Facility	Used	Unused	Total Facility	Used	Unused
	Note	USD $'000	USD $'000	USD $'000	AUD $'000	AUD $'000	AUD $'000
Term loan	(i)	150,000	150,000	N/a	200,971	200,971	N/a
Working capital facility	(ii)	40,000	-	40,000	55,000	-	55,000
Environmental bank guarantee facility	(iii)	N/a	N/a	N/a	58,000	57,464	536
Letter of credit facility	(iv)	N/a	N/a	N/a	2,000	-	2,000
Credit cards facility		N/a	N/a	N/a	265	22	243
		190,000	**150,000**	**40,000**	**316,236**	**258,457**	**57,779**

(i) The term loan has fixed quarterly repayments commencing 30 September 2022 with the final repayment due on 30 September 2026. During the year ended 31 December 2022, two quarterly repayments of US$6,000 thousand were made. In addition, three quarterly interest payments totalling $11,599 thousand was paid during the year ended 31 December 2022. The term loan does not permit redraw.

(ii) The working capital facility may be used to fund Group working capital and liquidity requirements. Repayment is due on the last day for each interest period (1 or 3 months) and is subject to an annual clean-down requirement. The maturity date of this Facility is 29 October 2026.

(iii) The maturity date of the environmental bank guarantee facility is 29 October 2023.

(iv) The maturity date of the letter of credit facility is 29 October 2026.

Note 25: Interest-bearing liabilities (continued)

Terms and conditions of outstanding Group Syndicated Facilities (continued)

The Group syndicated debt facilities are secured over the assets and rights of 29Metals' controlled entities registered in Australia.

The weighted average effective interest rate on the term facility is as follows.

	2022	2021
	%	%
Term facility	5.38	3.18

Recognition and measurement

Borrowings are recognised initially at fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability and the consideration paid, including any non-cash assets, is recognised in the Consolidated Statement of Comprehensive Income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 26: Lease liabilities

		2022	2021
	Note	$'000	$'000
As at 1 January		**31,426**	**24,069**
Leases recognised during the year		67,676	5,826
Increase from business combination	34	-	16,844
Reassessment		63	11,393
Lease interest expense	7	1,713	1,253
Repayment during the year		(33,761)	(27,959)
As at 31 December		**67,117**	**31,426**
Current		19,967	27,731
Non-current		47,150	3,695
Total		**67,117**	**31,426**

Effective from 1 October 2022, Golden Grove Operations Pty Ltd entered into a new underground mining services contract with Byrnecut Australia Pty Ltd for an initial term of five years with an option to negotiate a one-year extension. This replaced the previous contract entered into in 2017. The supply of plant and equipment for use is accounted for under AASB 16 Leases.

Refer Note 20 for information regarding right-of-use assets and applicable accounting policies.

Note 27: Financial risk management

The Group's activities expose it to a variety of financial risks, including commodity price risk, interest rate risk, market risk, currency risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The senior executives of the Group meet on a regular basis to analyse treasury risks and evaluate risk management strategies in the context of the prevailing economic conditions and forecasts. Risk management policies are approved and reviewed by the Board on a regular basis.

The Group's financial instruments are as follows.

	Note	2022 $'000	2021 $'000
Financial assets			
Cash and cash equivalents	24	171,962	197,472
Trade and other receivables	13	51,630	40,189
Derivative financial assets	14	-	1,541
Income tax receivable	9	-	15,042
Other financial assets	16	12,518	14,514
		236,110	**268,758**
Financial liabilities			
Trade and other payables	21	150,765	115,078
Interest bearing liabilities	25	198,359	201,617
Lease liabilities	26	67,117	31,426
Derivative financial liabilities	14	6,782	31,259
		423,023	**379,380**

Commodity price risk

The prices of copper, zinc, lead, gold and silver are affected by numerous factors and events that are beyond the control of the Group. These metal prices change on a daily basis and can vary significantly, up and down, over time. The factors impacting metal prices include broader macro-economic developments and factors impacting the demand and supply specific to each particular metal.

29Metals regularly reviews its exposure to commodity prices and, in particular, the impact of movements in commodity prices on the Group's:

- profitability and return metrics;
- cashflow generation and funding commitments; and
- compliance with financial covenants under the Group's corporate debt facilities.

The Group may engage in certain hedging activity (for example the use of commodity forward contracts) to seek to reduce the risk associated with commodity price volatility. All such transactions are carried out within policies set by the Board.

The following table details the sensitivity of the Group's financial assets balances to movements in commodity prices. At 31 December 2022, the Group's provisionally priced sales contract amounted to $263,978 thousand (US$181,461 thousand) (2021: $336,258 thousand (US$243,989 thousand)). At the reporting date, if commodity prices increased / (decreased) by 10%, and all other variables were held constant, the Group's after-tax profit / loss for the year would have changed as set out below:

	2022			2021		
	Commodity Price Movement	Price Increase - Increase Profit / Equity	Price Decrease - Decrease Profit / Equity	Commodity Price Movement	Price Increase - Increase Profit / Equity	Price Decrease - Decrease Profit / Equity
Concentrate						
Copper	10%	17,657	(17,657)	10%	25,952	(25,952)
Lead	10%	-	-	10%	1,694	(1,694)
Zinc	10%	8,741	(8,741)	10%	5,980	(5,980)
Total		**26,398**	**(26,398)**		**33,626**	**(33,626)**

The exposure to gold commodity swaps and copper forward contracts are detailed in Note 14.

Note 27: Financial risk management (continued)

Interest rate risk

The Group is exposed to interest rate risk primarily through interest-bearing liabilities (Refer to Note 25), cash and cash equivalents (Refer to Note 24), and lease liabilities (Refer to Note 26). The Group monitors its interest rate risk regularly to ensure that there are no undue exposures to significant interest rate movements.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows.

	2022	2021
	$'000	$'000
Fixed rate instruments		
Term deposits	-	1,832
Interest bearing liabilities	-	(646)
Lease liabilities	(67,117)	(31,426)
	(67,117)	**(30,240)**
Variable rate instruments		
Cash and cash equivalents	171,962	197,472
Interest bearing liabilities	(198,359)	(200,971)
	(26,397)	**(3,499)**

Non-interest-bearing instruments include $51,630 thousand (2021: $40,189 thousand) in Trade and other receivables (Refer to Note 13) and $6,782 thousand (2021: $29,718 thousand) in derivative financial liabilities (Refer to Note 14).

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (2021: 25 basis points) in interest rates would have increased or decreased equity and before tax profit / loss by the amounts shown below. This analysis assumes all other variables remain constant.

	2022		2021	
Variable rate instruments	$'000 50bp increase	$'000 50bp decrease	$'000 25bp increase	$'000 25bp decrease
Profit or loss	(132)	132	(9)	9
Total equity	(132)	132	(9)	9

Market risk

Market risk is the risk that changes in market prices (e.g., foreign exchange rates, interest rates and equity prices) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Risk management activities are carried out within the guidelines set by the Audit, Governance and Risk Committee.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates, such as the US dollar London Interbank Offer Rate ('**USD LIBOR**'), with alternative reference rates applicable to calculating interest on loans.

In accordance with the terms of the Group's financing facilities, USD LIBOR was replaced with the secured overnight offer rate ('**SOFR**') on 30 December 2022 as the applicable reference rate for calculating interest on US dollar borrowings. Prior to this date, USD LIBOR was the applicable reference rate for calculating interest on the Group's US dollar borrowings.

Note 27: Financial risk management (continued)

Currency risk

The Group is exposed to currency risk on bank balances, payables and receivables that are denominated in a currency other than the functional currency in which they are measured.

The Group is primarily exposed to changes in the US dollar exchange rate in relation to the price of commodities produced by the Group which are priced in US dollar terms and the carrying value of its US dollar denominated debt and cash holdings. The Group manages foreign currency risk by borrowing in US dollar terms and by regularly reviewing its exposure to US dollar fluctuations.

The Australian dollar carrying amount of the Group's US dollar financial assets and liabilities by its currency risk exposure at the reporting date is disclosed below:

	2022	2021
USD exposure	$'000	$'000
Cash and cash equivalents	69,580	87,729
Trade and other receivables	28,065	20,786
Trade and other payables	(1,716)	(292)
Interest bearing liabilities	(198,359)	(201,459)
Net exposure	**(102,430)**	**(93,236)**

The following significant exchange rates applied during the year:

	Average rate		31 Dec spot rate	
	2022	2021	2022	2021
AUD:USD	0.6947	0.7319	0.6775	0.7256

Sensitivity analysis

Based on the financial instruments held at reporting date, had the functional currency weakened / strengthened by 10%, and all other variables held constant, the Group's after-tax profit / loss and equity for the year would have been decreased / increased by the amounts shown below.

	2022		2021	
Variable financial instruments	$'000 10% weakened	$'000 10% strengthened	$'000 10% weakened	$'000 10% strengthened
Profit or loss	(10,243)	10,243	(9,280)	9,280
Total equity	(10,243)	10,243	(9,280)	9,280

Note 27: Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group is exposed to counterparty credit risk through:

- sales of metal products on normal terms of trade;
- deposits of cash held with financial institutions;
- commodity swaps and other derivative contracts held with financial institutions.

The most significant exposure to credit risk is through sales of metal products on normal terms of trade. The majority of sales for mining operations were made under contractual arrangements whereby provisional payment is received promptly after delivery and is generally 90-100% of estimated value at that time. (Refer to Note 13.)

The Group held cash and cash equivalents of $171,962 thousand at 31 December 2022 (2021: $197,472 thousand). The cash and cash equivalents are held with financial institutions which are rated A2 to Aa3, based on Moody's credit ratings. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

At the reporting date, the carrying amounts of financial assets are adjusted for any impairment and represent the Group's maximum exposure to credit risk, excluding the value of any collateral or other security, as shown below.

	2022	2021
	$'000	$'000
Financial assets		
Cash and cash equivalents	171,962	197,472
Trade and other receivables	51,630	40,189
Derivative financial assets	-	1,541
Income tax receivable	-	15,042
Other financial assets	12,518	14,514
Net exposure	**236,110**	**268,758**

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

Australia	210,861	251,768
Asia	25,176	16,890
Other	73	100
	236,110	**268,758**

Note 27: Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with financial liabilities.

The Group manages liquidity risk by conducting regular reviews of the timing of cash outflows, and short and long-term cash flow forecasts, in order to ensure sufficient funds are available to meet its obligations.

Financial liability maturity analysis

			Contractual cash flows				
	Carrying amount	Total	0–6 months	6–12 months	1–2 years	2–5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2022							
Trade and other payables	150,765	150,765	150,765	-	-	-	-
Bank borrowings	198,359	246,099	25,536	24,959	41,999	153,605	-
Derivative financial liabilities	6,782	6,782	562	722	2,287	3,211	-
Lease liabilities	67,117	69,158	11,472	9,757	32,447	15,370	112
	423,023	**472,804**	**188,335**	**35,438**	**76,733**	**172,186**	**112**
31 December 2021							
Trade and other payables	115,078	115,078	115,078	-	-	-	-
Bank borrowings	200,971	230,230	3,259	19,829	38,902	168,240	-
Derivative financial liabilities	31,259	31,259	19,103	12,156	-	-	-
Insurance funding	646	646	646	-	-	-	-
Lease liabilities	31,426	32,113	16,549	11,780	3,356	428	-
	379,380	**409,326**	**154,635**	**43,765**	**42,258**	**168,668**	**-**

Master netting or similar arrangements

The Group's derivative transactions have been entered into under International Swaps and Derivatives Association ("**ISDA**") master agreements. Pursuant to the terms of these ISDA agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other, if elected by the parties. In certain circumstances – e.g., when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any legally enforceable right to offset recognised amounts under the ISDA terms, because the right to offset is enforceable only on the occurrence of future events, such as a default on the bank borrowings or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Note	Gross amounts of financial instruments	Related financial instruments that are setoff	Net amount presented in the statement of financial position
		$'000	$'000	$'000
31 December 2022				
Financial liabilities				
Gold swaps	14	6,782	-	6,782
		6,782	**-**	**6,782**

Note 27: Financial risk management (continued)

Master netting or similar arrangements (continued)

	Note	Gross amounts of financial instruments $'000	Related financial instruments that are setoff $'000	Net amount presented in the statement of financial position $'000
31 December 2021				
Financial assets				
Gold swaps	14	1,541	-	1,541
		1,541	**-**	**1,541**
Financial liabilities				
Copper forward contracts	14	31,259	-	31,259
		31,259	**-**	**31,259**

Note 28: Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Fair value hierarchy

All assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value measurement

The categories of financial assets measured at fair value for the Group are trade receivables (Refer to Note 13), gold commodity swaps (Refer to Note 14) and copper forward contracts (Refer to Note 14). The fair value measurement is classified as Level 2 on the fair value hierarchy. The fair value of the trade receivables is determined using a discounted cashflow model.

The carrying value of other financial assets and liabilities as at 31 December 2022 approximate fair value.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements, during the year ended 31 December 2022 or the prior period.

Note 29: Share capital and Reserves

(a) Share capital

		2022		2021	
	Note	Number of shares	$'000	Number of shares	$'000
Ordinary share capital / shares		**481,356,099**	**648,464**	**480,455,000**	**646,633**
Movement in equity during the year:					
Balance at the beginning of the year		480,455,000	646,633	-	-
Shares on issue of legal acquirer/ deemed consideration payable in the reverse acquisition	34	-	-	107,199,237	214,398
Settlement of partner capital accounts (1)	40	-	-	244,346,763	183,554
Shares issues – acquisition of net assets	33	-	-	6,054,000	12,108
New shares issue – Initial public offering		-	-	122,500,000	245,000
Transaction with owners – settlement of amount owing (2)		-	-	N/a	3,000
Shares issued to eligible executives for settlement of transaction costs		-	-	325,000	650
Shares issued to Directors for settlement of directors' fees		-	-	30,000	60
Shares issued to Non-executive Directors from Salary Sacrifice Share Plan	35(d)	36,708	102	-	-
Shares issued to settle share – based payments	35(b)	864,391	1,729	-	-
		481,356,099	**648,464**	**480,455,000**	**658,770**
Transaction costs, net of tax (3)		-	-	N/a	(12,137)
		481,356,099	**648,464**	**480,455,000**	**646,633**

1. During the year ended 31 December 2021, the settlement of this liability at the consolidated level following the reverse acquisition is characterised as a transaction with owners in their capacity as owners and as such, the transaction has been recorded at the carrying value of the liability at the effective date of settlement.
2. During the year ended 31 December 2021, an amount of $3,000 thousand owing was settled for no consideration.
3. During the year ended 31 December 2021, transaction costs of $17,339 thousand before tax ($12,137 thousand after tax) directly related to the issue of shares has been netted off against share capital.

Recognition and measurement

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Quoted fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and, upon a poll, each share is entitled to one vote.

Dividend distribution

Dividends are recognised as a liability in the year in which the dividends are approved by the Company's shareholders or the Board, as appropriate.

(b) Nature and purpose of reserves

A description of the nature and purpose of each reserve is provided below:

Share-based payment Reserve - The share-based payment reserve is used to record the value of share-based payments. Refer to Note 35 for further information regarding share-based payments.

Translation Reserve - The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Group structure

Note 30: Controlled entities

The Consolidated Financial Statements of the Group comprise the following entities:

	Note	Country of incorporation	2022 % equity interest	2021 % equity interest
Parent entity				
29Metals Limited (registered 27 May 2021)		Australia		
Controlled entities				
29Metals Finance Pty Ltd (registered 31 May 2021)	(a), (b)	Australia	100%	100%
Golden Grove Holdings (No.1) Pty Ltd (registered 31 May 2021)	(a), (b)	Australia	100%	100%
Lighthouse Minerals Pty Ltd	(a), (c)	Australia	100%	100%
Capricorn Copper Group:				
Capricorn Copper Holdings Pty Ltd	(a), (c), (f)	Australia	100%	100%
Capricorn Copper Pty Ltd	(a), (c)	Australia	100%	100%
Golden Grove, LP Group:				
Golden Grove, LP	(d)	Australia	100%	100%
Golden Grove Holdings (No.2) Pty Ltd	(a)	Australia	100%	100%
Golden Grove Holdings (No.3) Pty Ltd	(a)	Australia	100%	100%
Golden Grove Operations Pty Ltd	(a)	Australia	100%	100%
Redhill Mining Group:				
Redhill Mining Hong Kong Limited	(e)	Hong Kong	100%	100%
Redhill Magallanes, SpA	(e)	Chile	100%	100%

(a) These controlled entities are a party to a Deed of Cross Guarantee. Refer to Note 32 for further information.

(b) For accounting purposes, control by 29Metals was deemed to be effective from 2 July 2021.

(c) Controlled entity from 7 June 2021.

(d) A limited partnership registered in New South Wales under the *Partnership Act 1982* (NSW). Golden Grove Holdings (No.1) Pty Ltd is the General Partner and 29Metals is the Limited Partner effective from 2 July 2021 for accounting purposes.

(e) For accounting purposes, control by 29Metals was deemed to be effective from 2 July 2021.

(f) 97.4% owned by 29Metals (directly) and 2.6% owned by Lighthouse Minerals Pty Ltd (in turn, wholly owned by 29Metals).

Note 31: Parent entity disclosures

The disclosure below relates to the parent entity, 29Metals Limited. The prior year comparative relates to the period from incorporation on 27 May 2021 to 31 December 2021.

(a) Statement of Comprehensive Income

	2022	2021
	$'000	$'000
Profit / (Loss) for the parent entity	50,324	(48,376)
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the parent entity	50,324	(48,376)

(b) Statement of Financial Position

Current assets	83,026	112,031
Total assets	1,017,489	945,036
Current liabilities	(70,993)	(42,252)
Total liabilities	(71,257)	(42,697)
Net assets	**946,232**	**902,339**
Total equity of the parent entity comprising of:		
Contributed equity	950,605	948,773
Accumulated losses	(7,679)	(48,376)
Share-based payment Reserve	3,306	1,942
Total equity	**946,232**	**902,339**

Refer to Note 11 for dividends declared and paid by the Company during the year ended 31 December 2022.

Guarantees entered into by the parent entity

Refer to Note 25 for information regarding the corporate debt facilities entered into in October 2021 and the associated security arrangements over the entire present and future undertaking, assets and rights of 29Metals Limited and its controlled entities registered in Australia.

Guarantees and contingent liabilities

The Company and its controlled entities registered in Australia entered into a Deed of Cross Guarantee ('**DOCG**') dated 30 November 2021. The effect of the DOCG is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the Australian controlled entities under certain provisions of the *Corporations Act 2001* (Cth).

Further details are included in Notes 30 and 32.

At the reporting date, no amounts have been recognised in the financial information of the Company in respect of the DOCG on the basis that the possibility of default is remote.

Refer to Note 39 for further information regarding contingent liabilities.

Commitments

The parent entity did not have capital commitments at 31 December 2022 (2021: nil).

Note 32: Deed of cross guarantee

On 30 November 2021, the Company and its eligible controlled entities entered into the DOCG.

Pursuant to ASIC Corporations (*Wholly-owned Companies) Instrument 2016/785* dated 17 December 2016 (the '**ASIC Relief**'), the wholly owned controlled entities incorporated and registered in Australia detailed in Note 30 are relieved from the requirement to prepare, audit, and lodge financial reports under the *Corporations Act 2001* (Cth). This includes certain wholly owned controlled entities detailed in Note 30, whilst still a party to the DOCG, are not eligible for relief as they are small proprietary companies.

It is a condition of the ASIC Relief that the Company and each of its eligible controlled entities enter into a DOCG. The effect of the DOCG is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the Australian controlled entities under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

A Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position, comprising the Company and its controlled entities which are a party to the DOCG, after eliminating all transactions between parties to the DOCG, are set out below.

	2022	2021
Statement of Comprehensive Income	$'000	$'000
Revenue	720,688	600,762
Cost of sales	(716,799)	(464,118)
Gross profit	**3,889**	**136,644**
Other income	201	270
Net loss on derivative financial instruments	(4,652)	(11,135)
Net foreign exchange loss	(12,143)	(13,421)
Administration expenses	(33,449)	(18,008)
Other expenses	-	(45,649)
(Loss) / profit before net finance costs and income tax expense	**(46,154)**	**48,701**
Finance income	1,385	90
Finance costs	(20,557)	(15,513)
(Loss) / Profit before income tax expense	**(65,326)**	**33,278**
Income tax benefit	18,594	103,236
Net (loss) / profit for the year	**(46,732)**	**136,514**
Other comprehensive income for the year, net of tax	-	-
Total comprehensive (loss) / income for the year	**(46,732)**	**136,514**

Note 32: Deed of cross guarantee (continued)

Statement of Financial Position	2022 $'000	2021 $'000
Current assets		
Cash and cash equivalents	171,892	197,373
Trade and other receivables	53,031	39,081
Derivative financial assets	-	1,037
Inventories	99,478	76,118
Income tax receivable	-	15,042
Other financial assets	12,518	14,514
Prepayments	9,368	7,471
Total current assets	**346,287**	**350,636**
Non-current assets		
Prepayments	4,592	5,304
Derivative financial assets	-	504
Exploration and evaluation expenditure	18,582	32,784
Mine properties	578,001	605,284
Property, plant and equipment	207,121	235,956
Right-of-use assets	66,939	31,179
Intangible assets	122	168
Deferred tax assets	58,071	39,478
Investment in subsidiaries	12,108	12,108
Total non-current assets	**945,536**	**962,765**
Total assets	**1,291,823**	**1,313,401**
Current liabilities		
Trade and other payables	150,713	115,078
Interest-bearing liabilities	33,742	15,454
Derivative financial liabilities	1,354	31,259
Lease liabilities	19,967	27,731
Provisions	17,927	10,550
Total current liabilities	**223,703**	**200,072**
Non-current liabilities		
Interest-bearing liabilities	164,617	186,163
Derivative financial liabilities	5,428	-
Lease liabilities	47,150	3,695
Provisions	136,330	155,713
Total non-current liabilities	**353,525**	**345,571**
Total liabilities	**577,228**	**545,643**
Net assets	**714,595**	**767,758**
Equity		
Contributed equity	551,787	549,956
Reserves	(266,572)	(267,937)
Retained earnings	429,380	485,739
Total equity	**714,595**	**767,758**

Refer to Note 11 for dividends declared and paid by the Company during the year ended 31 December 2022.

Note 33: Acquisition of Redhill Mining (asset acquisition)

Year ended 31 December 2021

The Company acquired 100% of the shares of Redhill Mining Hong Kong Limited and its controlled entity, Redhill Magallanes, SpA ('**Redhill Mining**'), on 5 July 2021. For accounting purposes, control by 29Metals was deemed to be effective from 2 July 2021.

This acquisition was accounted for as an asset acquisition via a share-based payment as Redhill Mining did not constitute a business. The fair value of consideration paid was determined by reference to the fair value of the underlying exploration and evaluation assets and other working capital accounts acquired.

The fair value of the underlying exploration and evaluation assets was determined based on resource / reserve multiples.

Details of the purchase consideration and allocation of the purchase price is set out below.

	Note	2021 $'000
Consideration paid – 6,054,000 shares	29	12,108
Fair value of assets and liabilities acquired:		
Cash and cash equivalents		29
Other assets		3
Property, plant and equipment		8
Exploration and evaluation expenditure	17	12,098
Total assets		**12,138**
Trade and other payables		(30)
Total liabilities		**(30)**
Fair value of net identifiable assets acquired		**12,108**

Note 34: Business combination (reverse acquisition)

Year ended 31 December 2021

29Metals became the legal parent company of the GGLP Group (refer to Note 30) effective on 2 July 2021, with completion of the transaction occurring on 5 July 2021. For accounting purposes, control by 29Metals was deemed to be effective from 2 July 2021.

This transaction was assessed to be a reverse acquisition. Accordingly, the business combination has been accounted for as if GGLP Group, as the accounting acquirer, had acquired the business and operations of 29Metals (including the Capricorn Copper Group and Lighthouse Minerals) effective on 2 July 2021.

The primary reason for the business combination was to bring together a business comprising:

- copper-focused mining assets, including the Golden Grove mine in Western Australia and the Capricorn Copper mine in Queensland; and
- a substantial exploration portfolio, including regional tenement packages at Capricorn Copper and Redhill in Chile,

for listing on the ASX on 2 July 2021.

The fair value of the deemed consideration transferred by the accounting acquirer has been determined based on the fair value of a notional number of equity interests the accounting acquirer (GGLP Group) would have had to issue at the date of acquisition to give the owners of the legal parent (29Metals) the same ownership interest in the combined entity. The fair value was determined with reference to a valuation of the GGLP Group based on a discounted cash flow model with cross checks of the internal rate of return and Mineral Resource / Ore Reserves multiples.

Note 34: Business combination – reverse acquisition (continued)

Due to the complexity and timing of the transaction, the acquisition accounting recognised in the Consolidated Financial Statements for the year ended 31 December 2021 was provisional. The provisional values of the net identifiable assets acquired at the date of acquisition were as follows.

	Note	$'000
Fair value of the deemed consideration payable	29	214,398
Provisional fair value of assets and liabilities acquired:		
Cash and cash equivalents		4,966
Other financial assets		1,824
Trade and other receivables		8,684
Prepayments		1,561
Inventory		23,236
Capital work in progress	19	4,593
Property, plant and equipment	19	72,075
Mine properties	18	370,377
Right-of-use assets		16,844
Total assets		**504,160**
Trade and other payables		(66,066)
Rehabilitation provision	22	(66,666)
Short-term provisions		(970)
Borrowings		(34,057)
Derivative financial liabilities		(51,824)
Lease liabilities	20, 26	(16,844)
Offtake liability		(19,919)
Deferred tax liabilities	9	(33,416)
Total liabilities		**(289,762)**
Fair value of net identifiable assets acquired		**214,398**

The accounting for the business combination was finalised at 30 June 2022 with no adjustments required to the provisional fair values of assets acquired and liabilities assumed.

Business combination cost – stamp duty

Stamp duty of $26,434 thousand relating to the business combination costs has been expensed in the year ended 31 December 2021 and is included in Other expense (refer to Note 6(d)). This amount is outstanding at 31 December 2022 and 31 December 2021 (refer to Note 21).

Note 34: Business combination – reverse acquisition (continued)

Revenue and profit contribution

The revenue and profit contribution to the Group from acquisitions from the date of acquisition to 31 December 2021 is presented below:

	$'000
Revenue	180,853
Profit before tax	46,162

The Group expected that if the above businesses were acquired on 1 January 2021, the acquisitions would have generated revenue and other income of $289,688 thousand and profit before tax of $14,528 thousand.

Recognition and measurement

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses, except if related to the issue of equity securities.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument, is measured at fair value with the changes in fair value recognised in the income statement.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of comprehensive income.

Business combinations are initially accounted for on a provisional basis. Acquisition accounting for business combinations requires identifiable assets to be valued at fair value which often requires assumptions, estimates and judgements. Assumptions required may include but are not limited to forecasts of cash flows, commodity prices, foreign exchange and useful lives. The Group engaged third-party experts to conduct independent valuations of identifiable assets. The Group takes into consideration all available information at the date of acquisition and any fair value adjustments in the final acquisition accounts are retrospectively applied back to the acquisition date.

Other information

Note 35: Share-based payments

The Group provides benefits to employees (including the Executive Director) in the form of share-based compensation, whereby employees render services in exchange for rights over shares (equity-settled transactions).

Non-executive Directors do not participate in the Group's performance-based remuneration schemes. However, for accounting purposes, the salary sacrifice plan implemented by the Group during the Reporting for Non-executive Directors is treated as a share-based payment. Refer to Note 35(d).

Refer to Note 33 for acquisition of assets via issue of shares in the year ended 31 December 2021.

(a) Recognised share-based payment expenses

	2022	2021
	$'000	$'000
Performance rights	2,892	1,941
Non-executive Directors Salary Sacrifice Share Plan	304	-
	3,196	**1,941**

(b) Performance rights awarded

(i) Staff Offer Incentive Plan ('**SOI**') – awarded during the year ended 31 December 2021

Under this Plan, there was a one-off award of Performance Rights to all of the Group's eligible employees as of the date of the 29Metals Prospectus. Non-executive Directors were not eligible for the SOI.

The SOI was intended as a reward to each eligible employee for their role in the successful completion of the 29Metals IPO and to incentivise employee retention in the near term.

Eligible employees received Performance Rights with a face value at the date of award (5 July 2021) equal to 10% of their total fixed remuneration (respectively), applying the IPO offer price of $2.00 per share (rounded to the nearest whole Performance Right).

Performance Rights awarded to eligible employees as part of the SOI:

- were awarded for nil consideration;
- automatically convert into a Share (on a one-to-one basis) upon vesting;
- have the following vesting schedule:
  - 50% of an eligible employee's performance rights will vest on the second trading day after release of the Company's 2021 full year results to ASX ('**SOI Tranche 1**'); and
  - the remaining 50% of an eligible employee's Performance Rights vest on the second trading day after release of the Company's 2022 full year results to ASX ('**SOI Tranche 2**').

Vesting of Performance Rights under the SOI is subject to the relevant individual continuing to be employed by a Group company on the applicable vesting date (unless the Board determines otherwise).

Performance rights awarded under the SOI are exercisable for nil consideration.

On 25 February 2022, 864,391 Performance Rights – SOI Tranche 1 awarded to eligible employees under 29Metals' *Staff Offer Incentive Plan* were converted to fully-paid ordinary shares upon vesting. On the vesting date, $1,729 thousand was transferred from Share-based payment Reserve to Contributed Equity.

Refer to Note 35(e) for the movement in Performance Rights during the year and balance at end of the year.

Note 35: Share-based payments (continued)

(b) Performance rights awarded (continued)

(ii) 2021 Long term incentive ('**LTI**') award – awarded during the year ended 31 December 2021

During the year ended 31 December 2021, 29Metals awarded performance rights under the Group's LTI plan (the '**2021 LTI award**'). The vesting date, performance period, and performance conditions for the 2021 LTI award are as follows:

Vesting Date	30 June 2024
Performance Period	Period commencing 2 July 2021 (29Metals' listing date) and ending 30 June 2024
Performance conditions and weighting	▪ Continued service through to vesting date ▪ 29Metals' relative total shareholder return (weighting: 50%) ▪ 29Metals' progress against the growth aspiration set out in the Prospectus (weighting: 30%) ▪ 29Metals' mine life at Golden Grove and Capricorn Copper having a mine life of 10 years or greater at the end of the Performance Period (weighting: 20%)
Board discretion	The Board is responsible for assessing performance against the award performance conditions. The Board retains discretion under the LTI award terms and the Plan Rules, including discretion regarding vesting outcomes.

Performance rights awarded under the 2021 LTI award were allotted to participating employees on 19 November 2021 (excluding the award under the 2021 LTI award to the Managing Director & CEO, refer below).

Upon vesting, each performance right will convert to one fully paid ordinary share.

The performance rights are exercisable for nil consideration.

The number of performance rights awarded under the 2021 LTI at 31 December 2021 excludes an award of 182,926 performance rights under the 2021 LTI to the Managing Director and Chief Executive Officer, which was subject to shareholder approval at the 2022 AGM.

Refer to Note 35(b)(iii) below for information regarding the 182,926 performance rights subsequently approved at the Company's AGM on 24 May 2022.

Refer to Note 35(e) for the movement in Performance Rights during the year and balance at end of the year.

(iii) 2021 Long term incentive ('**LTI**') award – awarded during the year ended 31 December 2021 and approved in May 2022

During the 2021 financial year, 182,926 performance rights under the 2021 LTI award were awarded to the Managing Director & Chief Executive Officer, subject to shareholder approval. At the Company's AGM on 24 May 2022, this award of performance rights to the Managing Director & Chief Executive Officer was approved by the Company's shareholders. The terms and conditions of this award are the same as those stated in Note 35 (b) (ii) above.

Refer to Note 35(b)(v) for the fair value per performance right.

Refer to Note 35(e) for the movement in Performance Rights during the year and balance at end of the year.

Note 35: Share-based payments (continued)

(b) Performance rights awarded (continued)

(iv) 2022 Long term incentive ('**LTI**') award – awarded during the year ended 31 December 2022

During the Reporting Period, 29Metals awarded performance rights under the Group's LTI plan (the '**2022 LTI award**'). The award date, vesting date, performance period, and performance conditions for the 2022 LTI award are as follows:

Award date	
18 March 2022	1,685,482 performance rights granted to key management personnel and employees of the Group
24 May 2022	328,467 performance rights were awarded under the 2022 LTI award to the Managing Director & Chief Executive Officer

Vesting date	31 December 2024
Performance period	Period commencing 1 January 2022 and ending 31 December 2024
Performance conditions and weighting	▪ Continued service through to vesting date ▪ 29Metals' relative total shareholder return (weighting: 80%) ▪ 29Metals' development and implementation of a three-year roadmap for the Company to adopt recommendations of the Taskforce for Climate-related Financial Disclosure and establishment and delivery against climate-related targets and commitments, assessed at the end of the Performance Period (weighting: 20%)
Board discretion	The Board is responsible for assessing performance against the award performance conditions. The Board retains discretion under the LTI award terms and the Plan Rules, including discretion regarding vesting outcomes

Upon vesting, each performance right converts to one fully paid ordinary share.

Refer to Note 35(e) for the movement in Performance Rights during the year and balance at end of the year.

(v) Performance Rights pricing models

The fair value of the performance rights granted under the SOI and LTI plans have been determined based on a *Black Scholes Option Pricing Model* when they are subject to non-market performance conditions. This method takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

To reflect the impact of the market-based performance conditions, the fair value of the rights under the LTI plans subject to the relative Total Shareholder Return ('**TSR**') performance condition have been calculated using *Monte-Carlo* simulation techniques. The variables in the table below are used as inputs into the model to determine the fair value of performance rights.

The following table lists the inputs used in the model for the measurement of the fair values of the performance rights awarded to eligible employees (except for the Managing Director & Chief Executive Officer).

			Performance Rights				
	SOI Tranche 1	SOI Tranche 2	2021 LTI	2021 LTI	2021 LTI	2022 LTI	2022 LTI
Performance hurdle	N/a	N/a	Relative TSR	Growth objective	Mine Life	Relative TSR	Climate change
Grant date	2 Jul 21	2 Jul 21	18 Nov 21	18 Nov 21	18 Nov 21	18 Mar 22	18 Mar 22
Expiry date	1 Jul 36	1 Jul 36	17 Nov 36	17 Nov 36	17 Nov 36	17 Mar 37	17 Mar 37
Vesting period	0.65 years	1.65 years	2.62 years	2.62 years	2.62 years	2.79 years	2.79 years
Share price at issue date	$2.00	$2.00	$2.63	$2.63	$2.63	$2.89	$2.89
Expected volatility	80%	80%	38.70%	38.70%	38.70%	40.46%	40.46%
Dividend yield	-	-	-	-	-	-	-
Risk-free interest rate	0.05%	0.05%	0.97%	0.97%	0.97%	1.89%	1.89%
Fair value per right	$2.00	$2.00	$1.855	$2.63	$2.63	$2.0223	$2.89

Note 35: Share-based payments (continued)

(b) Performance rights awarded (continued)

(v) Performance Rights pricing models (continued)

The following table lists the inputs used in the model for the measurement of the fair values of the performance rights awarded to the Managing Director & CEO.

			Performance Rights				
	SOI Tranche 1	SOI Tranche 2	2021 LTI	2021 LTI	2021 LTI	2022 LTI	2022 LTI
Performance hurdle	N/a	N/a	Relative TSR	Growth objective	Mine Life	Relative TSR	Climate change
Grant date	2 Jul 21	2 Jul 21	24 May 22	24 May 22	24 May 22	24 May 22	24 May 22
Expiry date	1 Jul 36	1 Jul 36	17 Nov 36	17 Nov 36	17 Nov 36	17 Mar 37	17 Mar 37
Vesting period	0.65 years	1.65 years	2.10 years	2.10 years	2.10 years	2.61 years	2.61 years
Share price at issue date	$2.00	$2.00	$2.77	$2.77	$2.77	$2.77	$2.77
Expected volatility	80%	80%	42.48%	42.48%	42.48%	42.48%	42.48%
Dividend yield	-	-	-	-	-	-	-
Risk-free interest rate	0.05%	0.05%	2.53%	2.53%	2.53%	2.84%	2.84%
Fair value per right	$2.00	$2.00	$1.8156	$2.77	$2.77	$1.9287	$2.77

Expected volatility has been based on an evaluation of the historical volatility of 29Metal's share price since listing up to the grant date and the assessment of peer group volatility commensurate with the expected term.

(c) Performance rights under 2022 short term incentive plan

For the purposes of the Group's 2022 short term incentive plan (the '**2022 STI**'), the Board has determined that 2022 STI will be delivered to eligible employees as a combination of cash and equity (in the form of performance rights). The award of performance rights under the 2022 STI to all eligible employees (other than the Managing Director & CEO) was approved by the Board.

The proposed award of 145,304 performance rights to the Managing Director & CEO under the 2022 STI is subject to shareholder approval (to be sought at the Company's 2023 AGM).

The only condition of the award of performance rights under the 2022 STI is continued service to the expiry of the vesting period which is 31 December 2023.

An expense relating to the 2022 performance year has been estimated using fair value estimates based on inputs in December 2022.

The number of performance rights to be awarded under the 2022 STI has been estimated by dividing the value of the equity component of the 2022 outcome by the Volume weighted average price ('**VWAP**') for 29Metals shares traded on the ASX for the month of December 2022, being $2.1691 per share (rounded down to the nearest performance right). The fair value per performance right has been estimated based on the share price of $1.96 per share at 9 February 2023.

The amount of the share-based payment expensed in respect of the 2022 STI recognised in the year ended 31 December 2022 amounted to $395 thousand based on an estimated 400,364 performance rights.

The expense estimated for the year ended 31 December 2022 will be updated to the fair value on grant date in the 2023 financial year.

Note 35: Share-based payments (continued)

(d) Non-executive Directors ('NED') Salary Sacrifice Share Plan ('Plan')

Information on the NED Salary Sacrifice Share Plan which was approved at the Annual General Meeting held on 24 May 2022 are as follows:

(i) $40 thousand of the pre-tax Director fees for 2022, 2023 and 2024 ('**Contribution Amount'**) will be delivered to each of the Non-executive Directors annually in the form of Restricted Shares and deducted from Director fees, as follows:
- for 2022, in approximately equal monthly instalments from June 2022 to December 2022 (inclusive); and
- for 2023 and 2024, in approximately equal monthly instalments for each year.

(ii) the number of Restricted Shares to be received by the Non-executive Directors will be determined by dividing the Contribution Amount by the volume weighted average price of 29Metals Shares traded on the ASX over the 3-month trading period ending on the day before the Allocation Date of the Restricted Shares.

(iii) the Restricted Shares, once issued, will be subject to a dealing restriction expiring on the earlier of:
- two years after the date of issue; and
- 12 months after the cessation date as Director.

The expense for the year ended 31 December 2022 is based on the share price at 24 May 2022 and an estimate of the number of shares to be issued over the term of the Plan based on the VWAP of $2.1654 per share for the December 2022 quarter.

	Note	
Fair value per share at grant date on 24 May 2022, based on 29Metals Share price		$2.77
Dividend yield		-
Total number of shares expected to be allocated under this Plan based on the volume weighted average price of 29Metals Shares for the quarter ended 31 December 2022 of $2.1654 per share, including shares allocated during the year ended 31 December 2022		171,291
Number of shares allocated in the year ended 31 December 2022		36,708
Number of shares expected to be allocated under this Plan less number of shares allocated in the year ended 31 December 2022		134,583
Lapsed during the period		-
Fair value of shares allocated in the year ended 31 December 2022 ($'000)	29	102
Share-based payment expense recognised in the year ended 31 December 2022 ($'000)	35(a)	304

(e) Movements in the number of performance rights awarded

Set out in the table below is a summary of movements in the number of Performance Rights awarded.

Number of Performance Rights	SOI Tranche 1	SOI Tranche 2	2021 LTI	2022 LTI	2022 STI	Total
Awarded during the period	1,052,717	1,052,613	691,104[(1)]	N/a	N/a	2,796,434
Lapsed during the period	(159,484)	(167,995)	-	N/a	N/a	(327,479)
Balance at 31 December 2021	**893,233**	**884,618**	**691,104**	**N/a**	**N/a**	**2,468,955**
Awarded during the period	-	-	-	1,685,482	400,364	2,085,846
Awarded on 24 May 2022 to the Managing Director & Chief Executive Officer	-	-	-	328,467	-	328,467
Lapsed during the period	(28,842)	(192,756)	(14,534)	(156,331)	-	(392,463)
Vested during the period	(864,391)	-	-	-	-	(864,391)
Balance at 31 December 2022	**-**	**691,862**	**676,570**	**1,857,618**	**400,364**	**3,626,414**

1. Includes 182,926 performance rights awarded to the Managing Director & CEO, as approved by shareholders at the Company's 2022 AGM.

(f) Share-based payment expense recognised

Set out in the table below is the share-based payment expense recognised.

Expense recognised $'000	SOI Tranche 1	SOI Tranche 2	2021 LTI	2022 LTI	2022 STI	Total
Year end 31 December 2021	1,367	455	119	N/a	N/a	1,941
Year ended 31 December 2022	268	843	479	907	395	2,892
Total	**1,635**	**1,298**	**598**	**907**	**395**	**4,833**

Note 35: Share-based payments (continued)

Recognition and measurement

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given above.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (Share-based payment Reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of diluted earnings per share.

Note 36: Related parties

(a) Parent entity

The ultimate holding entity is 29Metals Limited. Information about the Group's structure, including details of the controlled entities are set out in Note 30.

(b) Compensation to executive key management personnel and non-executive directors of the Group

Key management personnel ('**KMP**') are accountable for planning, directing and controlling the affairs of the Group. Details of remuneration provided to key management personnel and non-executive directors of the Group are as follows.

	2022	2021
	$	$
Short-term employment benefits	4,524,662	3,737,754
Long-term benefits	19,125	10,443
Contributions to superannuation plans	140,825	110,665
Share-based payments expense	1,533,523	940,358
	6,218,135	**4,799,220**

The above includes:

Year ended 31 December 2021:

(i) Non-executive directors (other than Mr Hegarty) each received 10,000 29Metals ordinary shares with cash value of $20,000, in lieu of the corresponding amount in directors' fees. Each share was issued at the 29Metals IPO final offer price of $2.00 per share.

(ii) Eligible executive KMPs received $650,000 cash value (in the aggregate) in the form of 325,000 29Metals ordinary shares (in the aggregate). Each share was issued at the 29Metals IPO final offer price of $2.00 per share. The shares were issued to the relevant executive KMPs as an incentive conditional upon successful completion of the 29Metals IPO and in consideration for the role they played in the establishment of 29Metals and successful completion of the 29Metals IPO. The shares are subject to a two-year holding lock expiring on 2 July 2023.

(c) Other related party transactions

There were no transactions with key management personnel and related parties during the year other than as disclosed elsewhere in the financial statements.

Note 37: Auditors' remuneration

Fees to Ernst & Young	2022 $	2021 $
Fees for auditing the statutory financial report of the parent and the group	432,500	450,000
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm		
Other assurance services	-	153,616
Fees for other services		
Tax governance services	23,500	-
Total auditors' remuneration	**456,000**	**603,616**

Note 38: Accounting standards and interpretations issued but not yet effective

AAS and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 December 2022 are outlined below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 2020-1 Amendments to AASs – Classification of liabilities as Current or Non-current

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the International Accounting Standards Board has subsequently proposed further amendments to International Accounting Standard 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Subject to review of circumstances on transition date, these amendments are not expected to have a significant impact on the Group's Consolidated Financial Statements.

AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

In March 2021, the AASB issued amendments to AASB 101 and AASB Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's Consolidated Financial Statements.

AASB 2021-2 Amendments to AASB 108 – Definition of Accounting Estimates

In March 2021, the AASB issued amendments to AASB 108, in which it introduced a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's Consolidated Financial Statements.

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – eg, leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The amendments apply for annual reporting periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's Consolidated Financial Statements.

Note 39: Contingent liabilities

(a) Bank Guarantees

The Group has provided an environmental bond in relation to Capricorn Copper, as required under relevant Queensland legislation. The environmental bond has been posted by way of three bank guarantees issued by lenders under the Group corporate debt facilities, with an aggregate bank guarantee amount of $57,464 thousand (2021: $57,464 thousand).

(b) Other Contingent Liabilities

29Metals is a co-plaintiff in legal proceedings in the Supreme Court of Victoria in relation to historic transaction terms between EMR Capital Investment (No.6B) Pte Ltd and the vendors of shares in Lighthouse Minerals Pty Ltd, and associated security arrangements. 29Metals' liability in relation to these proceedings is the subject of a Cash Backed Indemnity Deed whereby EMR Capital Investment (No.6B) Pte Ltd indemnifies 29Metals (the '**Indemnity Deed**'). Under the terms of the Indemnity Deed, 29Metals retained $12.5 million of EMR Capital Investment (No.6B) Pte Ltd's share of IPO proceeds to cash-back the indemnity. As at 31 December 2022, the balance of funds retained by 29Metals is $12,500 thousand. Refer to Notes 16 and 21.

Group companies are recipients of, or defendants in, current, potential or threatened claims, complaints, actions or proceedings. The Directors consider that these matters are either not yet sufficiently advanced or particularised so as to reasonably evaluate the prospects for potential liability, or are of such a kind, or involve such amounts, that they are not currently anticipated to have a material effect on the financial position of the Group if determined unfavourably.

Note 40: Net assets attributable to partners of Golden Grove, LP

Non-current liabilities

	Note	2021 $'000
Balance at 1 January 2020		261,913
Changes in net assets attributable to the Partners in Golden Grove, LP		(93,314)
Balance at 31 December 2020		168,599
Changes in net assets attributable to the Partners in Golden Grove, LP	7	14,955
Settlement of partner liabilities as a result of the reverse acquisition on 2 July 2021		(183,554)
Balance at 31 December 2021		-

GGLP, the head entity in the GGLP Group, is a limited partnership registered in New South Wales under the *Partnership Act 1982* (NSW) pursuant to a limited partnership agreement ('**Partnership Agreement**') dated 13 February 2017 which was amended and restated on 11 December 2017 and 22 October 2021.

Prior to the reverse acquisition on 5 July 2021 (refer to Notes 2 and 34), net assets attributable to partners comprise capital contributions from partners and undistributed profits within the GGLP Group allocated to partners. Net assets attributable to partners were classified as a financial liability in accordance with AASB 132 as the Partnership was a limited life entity. Limited Partners have a priority return on liquidation and the Partnership Agreement restricts any residual return to the Carried Interest Holder.

In accordance with the Partnership Agreement that was effective prior to the date of the reverse acquisition:

- the partnership was to be wound-up and dissolved on the tenth anniversary of the initial closing date, being 3 June 2026. The term of the partnership could have been extended beyond the tenth anniversary by the General Partner with the approval of Limited Partners for a maximum of two additional one-year periods.
- the General Partner was required to distribute all realised investment income at least annually and the full net cash proceeds from the disposition of investments promptly, but in no event later than 60 days after receipt thereof. The General Partner could, at its own discretion, make additional distributions subject to certain restrictions.
- items of partnership income, gains, losses and expenses were allocated amongst the partners in such a manner that, as the end of each reporting period, the capital account of each partner equalled the respective net amount that would have been distributed to the partner (see below) should the partnership have liquidated its net assets for an amount equal to their carrying values.
- partnership profits and losses were allocated between partners as follows:
  - (a) first, 100% to such partner until such partner received cumulative distributions equal to such partner's aggregate investment contributions;
  - (b) second, 100% to such partner until the unpaid preferred return of such partner was reduced to zero;
  - (c) third, 80% to the Carried Interest Holder and 20% to such partner until the Carried Interest Holder has received cumulative distributions with respect to such partner pursuant to the section equal to 20 % of the cumulative amount of distributions made to such partner pursuant to section (b) and made to the Carried Interest Holder with respect to such partner pursuant to this section; and
  - (d) fourth, thereafter: (i) 20% to the Carried Interest Holder; and (ii) 80% to such partner.

Note 41: Commitments

The Group's commitments are as follows.

Exploration

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay rentals and to satisfy minimum expenditure requirements which total $1,293 thousand (2021: $2,842 thousand) over the next 12 months, in accordance with agreed work programmes submitted over the Group's exploration licences.

Financial commitments for subsequent periods are contingent upon future exploration results. There are no material exploration commitments further out than one year.

Take or pay contracts

The Group has certain take or pay obligations under contracts relating to the power supply for its Capricorn Copper operations. These contracts are multi-year contracts with an aggregate future take or pay commitment amount of $26,850 thousand at 31 December 2022 (2021: $18,684 thousand).

Note 42: Subsequent events

Other than as disclosed in the environmental regulation and performance section in the Director's Report, there have not been any events that have arisen in the interval between the end of the financial year and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to materially affect the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.

Directors' Declaration

In accordance with a resolution of the Directors, the Directors declare that:

1. in the opinion of the Directors:

   (a) the Consolidated Financial Statements and notes set out on pages 63 to 123 and the remuneration disclosures that are contained in the Remuneration Report on pages 38 to 62, are in accordance with the *Corporations Act 2001*, and:

      (i) give a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance for the year ended on that date; and

      (ii) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and payable; and

   (c) the Consolidated Financial Statements, and the notes thereto, have been prepared in accordance with *International Financial Reporting Standards*.

2. the Directors have received the declarations required to be made to the Directors by Section 295A of the Corporations Act 2001 to be given by the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2022.

3. in the opinion of the Directors, there are reasonable grounds to believe that the Company, and the consolidated entities identified in Note 30, will be able to meet any obligations or liabilities to which they are, or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those consolidated entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

This declaration is made in accordance with a resolution of the Directors on 23 February 2023.

Owen L Hegarty

Owen Hegarty

Chair of the Board the Directors
Non-executive Director

Fiona Robertson

Fiona Robertson

Chair of the Audit, Governance & Risk Committee
Independent Non-executive Director

Independent Auditor's Report

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Independent auditor's report to the members of 29Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of 29Metals Limited ("the Company" or "29Metals") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context

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We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Rehabilitation and restoration provision

Why significant	How our audit addressed the key audit matter
As a consequence of its operations, the Group incurs obligations to rehabilitate and restore its mine sites. As at 31 December 2022, the Group's consolidated statement of financial position includes a rehabilitation and restoration provision of $135,207,000 in respect of these obligations (refer to Note 22). We considered this to be a key audit matter because estimating the rehabilitation and restoration provision requires considerable judgement in relation to when the activities will take place, the time required for rehabilitation to be effective, the costs associated with the activities and economic assumptions such as discount rates and inflation rates. Given the significant judgements and assumptions involved, the Group is required to continually reassess and confirm that the assumptions used are appropriate.	Our audit procedures included the following: ► Assessed the qualifications, competence and objectivity of the Group's external and internal experts, the work of whom formed the basis of the Group's rehabilitation cost estimates ► With the involvement of our specialists we assessed the appropriateness of the rehabilitation cost estimates ► Assessed the estimated timing of when the rehabilitation cash flows will be incurred based on the life of mine and the resultant inflation and discount rate assumptions used in the Groups cost estimates, having regard to available economic data relating to future inflation and discount rates ► Evaluated the adequacy of the Group's disclosures in the notes to the financial report relating to rehabilitation obligations, and considered the appropriateness of the accounting for the changes in the rehabilitation and restoration provision.

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2. Income Taxes

Why significant	How our audit addressed the key audit matter
At 31 December 2022, the Group has recorded deferred tax assets of $58,072,000 (refer to Note 9) on the basis that it is considered probable that the Group will derive sufficient taxable income in the future to recoup the recognised tax assets. We considered this to be a key audit matter because the determination of the probability of the Group deriving taxable income in the future to recoup the deferred tax assets recognised requires considerable judgment. This is subject to numerous assumptions around the future profitability of the Group's mining assets, which in turn is primarily dependent upon assumptions including future production levels, commodity prices and exchange rates, operating and capital development costs.	Our audit procedures included the following: ► Evaluated the appropriateness of the deferred tax assets recognised by the Group at 31 December 2022 having regard to the requirements of the applicable accounting standards, with the involvement of our tax specialists ► Examined the Group's deferred tax asset recoverability assessment and evaluated the reasonableness of key assumptions including forecast taxable profits of Group ► Assessed the sensitivity analyses prepared by management to ascertain the impact of possible changes to key assumptions on the timing of recoverability ► Assessed the adequacy of the disclosures in the notes to the financial report regarding the Group's deferred tax assets.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report on pages 38 to 62, except for the disclosures noted in Section 4.2 relating to Pro-Forma financial and non-financial information, included in the Director's Report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of 29Metals Limited for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Fiona Drummond
Partner
Perth

23 February 2023

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