

ASX ANNOUNCEMENT

[Tuesday], [23] May 2023

Capricorn Copper Recovery – Updated 2023 Guidance

29Metals Limited ('29Metals' or, the 'Company') today provides updated 2023 guidance for Capricorn Copper.

29Metals previously withdrew its 2023 guidance for Capricorn Copper, following the extreme weather event and cessation of operations and pending completion of the recovery planning.¹

29Metals is pleased to advise that recovery planning for Capricorn Copper is now substantially complete and, as a result, 29Metals provides updated guidance for 2023.² The updated guidance for Capricorn Copper is set out on page 2 of this release.

The updated guidance provided includes preliminary guidance to mid-H1 2024. Guidance for 2024 is preliminary in nature and is subject to change including as a result of progress against the Recovery Plan and 29Metals' normal annual budget and planning processes at year end.

Further information regarding the Capricorn Copper Recovery Plan is set out in the presentation entitled *Strategic Update – Capricorn Copper Recovery and Golden Grove Outlook* separately released to the ASX announcements platform today.

Managing Director & CEO, Peter Albert, will host a conference call and webcast at 10:00 am (Melbourne time) today to discuss the Strategic Update released to the market today.³

Authorised for release by the Board of Directors

¹ Refer to 29Metals' announcement entitled *Capricorn Copper Operations Update* released to the ASX announcements platform on 15 March 2023.

² Refer to important information on page 3 of this release regarding forward looking statements.

³ Refer to 29Metals' announcement entitled *Strategic Update - Conference Call Advisory*, released to the ASX announcements platform on 19 May 2023 for information regarding how to participate in the conference call and webcast.

Capricorn Copper – Updated 2023 Guidance ⁴

29Metals’ updated Capricorn Copper guidance for 2023, and preliminary guidance to mid-H1 2024, is outlined in the table below.

Group 2023 guidance, updated to incorporate the updated Capricorn Copper guidance is included in the Appendix to this release.

	Unit	2023			2024 ⁴	
		Updated 2023 guidance	Actual Mar-Qtr ¹	Apr-mid Sep-Qtr ²	Mid-Sep-Qtr to 31-Dec ³	1-Jan – mid H1
Production ⁵						
Ore mined	kt	514 - 584	234	-	280 - 350	180 - 220
Ore milled	kt	473 - 543	193	-	280 - 350	180 - 220
Copper	kt	7 - 9	3	-	4 - 6	3 - 4
Silver	koz	40 - 50	20	-	20 - 30	8 - 12
Costs ^{6,7}						
Mining ⁸	\$M	40 - 45	15	-	25 - 30	17 - 20
Processing	\$M	20 - 22	11	-	9 - 11	6 - 7
G&A	\$M	11 - 13	4	-	7 - 9	4 - 6
Concentrate transport ⁹	\$M	7 - 8	4	-	3 - 4	2 - 3
TCRC	\$M	8 - 9	4	-	4 - 5	2 - 3
Capital						
Sustaining	\$M	17 - 23	2	3 - 5	12 - 16	4 - 6
Capitalised development	\$M	11 - 13	4	-	7 - 9	5 - 6
Growth	\$M	0 - 1	-	-	0 - 1	0 - 1
Recovery						
Recovery costs (before potential insurance proceeds) ¹⁰	\$M	70 - 85	9	31 - 38	30 - 38	17 - 20

1. Unaudited operating results reported in quarterly report for Mar-2023 quarter, as released to the ASX announcements platform on 27 April 2023.
2. Period commencing 1-Apr and ending upon commencement of Phase 1 recovery period in mid-Sep-Qtr.
3. Phase 1 of Recovery restart, expected to commence mid-Sep-Qtr, to 31-Dec-2023.
4. 2024 guidance is preliminary in nature and is provided in respect of the Capricorn Copper recovery period to mid-H1 2024. Preliminary 2024 guidance is subject to change, including as a result of progress against the Recovery Plan during the balance of 2023 and 29Metals’ annual planning and budgeting process which is typically concluded at year end.
5. Production shown on a contained metal in concentrate basis.
6. Mining costs, processing costs, G&A and recovery shown before AASB16 Lease Accounting.
7. All mining costs, processing costs and G&A costs for the period 1-31 March 2023 (inclusive) within YTD Actual are included in Recovery Costs for the period.
8. Mining costs excludes capitalised development.
9. Concentrate transport costs include freight realization charges payable on domestic concentrate sales at Capricorn Copper.
10. Potential Recovery Costs in 2024 beyond mid-H1 2024, primarily associated with a potential water treatment plant if required and approved. Current estimated capital costs (if required and approved) of \$37-44 million.

⁴ Refer to important information on page 3 regarding forward looking statements.

Important Information

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

Forward looking statements involve inherent risks, assumptions and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause 29Metals' actual results to differ materially from the plans, objectives, expectations, estimates, targets and intentions expressed in such forward looking statements, and many of these factors are beyond 29Metals' control. Relevant statements may prove to be incorrect, and circumstances may change, and the contents of this document may become outdated as a result. Information regarding 29Metals' material business risks is included in 29Metals' "Appendix 4E and Annual Financial Report" released to the ASX announcement platform on 23 February 2023.

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

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

Enquiries

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Appendix – Group 2023 Guidance ⁵

Group guidance for production physicals, costs and capital for 2023, as updated to incorporate the updated Capricorn Copper guidance for 2023, is set out below.

Group 2023 guidance for financial metrics, including D&A, remain under review and will be updated at the half-year.

		2023 Guidance	
	Unit	Capricorn Copper	Group
Production ¹			
Ore mined	kt	514 – 584	1,964 – 2,184
Ore milled	kt	473 – 543	1,923 – 2,143
Copper	kt	7 – 9	24 – 29
Zinc	kt	NA	54 – 61
Gold	koz	NA	20 – 23
Silver	koz	40 – 50	990 – 1,100
Costs ^{2,3}			
Mining ⁴	\$M	40 – 45	245 – 280
Processing	\$M	20 – 22	98 – 108
G&A	\$M	11 – 13	39 – 46
Concentrate transport ⁵	\$M	7 – 8	29 – 34
TCRC	\$M	8 – 9	71 – 81
Corporate	\$M	N/A	25 – 28
Capital			
Sustaining capital	\$M	17 – 23	41 – 51
Capitalised development	\$M	11 – 13	35 – 43
Growth capital	\$M	0 – 1	20 – 25
Exploration	\$M		9 – 14
Capricorn Copper Recovery			
Recovery costs (before potential insurance proceeds)	\$M	70 – 85	70 – 85

1. Production shown on a contained metal in concentrate basis.
2. Mining costs, processing costs, G&A and recovery shown before AASB16 Lease Accounting.
3. At Capricorn Copper, all mining costs, processing costs and G&A costs for the period 1-31 March 2023 (inclusive) are included in Recovery Costs for the period.
4. Mining costs excludes capitalised development.
5. Concentrate transport costs include freight realisation charges payable on domestic concentrate sales at Capricorn Copper.

⁵ Refer to important information on page 3 regarding forward looking statements.