

**ASX ANNOUNCEMENT**

Wednesday, 30 August 2023

**\$151M ENTITLEMENT OFFER**

29Metals Limited (ASX:29M) ('29Metals' or the 'Company') is pleased to announce the launch of a fully underwritten 1 for 2.20 accelerated non-renounceable entitlement offer to raise \$151 million (before costs) ('Equity Raising' or the 'Offer' or the 'Entitlement Offer'). The Entitlement Offer comprises an accelerated institutional component ('Institutional Entitlement Offer') and a retail component ('Retail Entitlement Offer').

**Highlights**

- 29Metals launches fully underwritten 1 for 2.20 accelerated pro-rata non-renounceable entitlement offer to raise \$151 million (before costs)
- Execution of Equity Raising expected to strengthen 29Metals' financial position, fully fund the Capricorn Copper Recovery Plan and near-term Golden Grove capital projects, whilst substantially de-risking the balance sheet, positioning the Company to deliver future production
- 29Metals' largest shareholder, EMR Capital Investors<sup>1</sup>, which has a 44.85% interest in 29Metals shares, is fully supportive of the Equity Raising. EMR Capital Investors<sup>1</sup> have committed to take up their pro-rata entitlement, which represents \$67.8 million of new shares<sup>2</sup>
- The Equity Raising will be conducted at an offer price of \$0.690 per share, representing a 5.6% discount to TERP<sup>3</sup> of \$0.731 and 8.0% discount to last close of \$0.750 per share on 29 August 2023
- The Equity Raising follows successful execution of key milestones, including: the release of the Company's Strategic Update in May, the restart of mining at Mammoth and Greenstone on 1 August, agreement with lending syndicate to waive covenants and restructure the debt facilities, and progress of the Capricorn Copper insurance claim with confirmation of an initial unallocated progress payment of \$24m
- The Equity Raising is fully underwritten by Macquarie Capital (Australia) Limited and Jarden Securities Pty Ltd

Since the extreme weather event in March, 29Metals has achieved a number of key milestones including the formulation of the Capricorn Copper Recovery Plan, the restart of mining at Mammoth and Greenstone, the completion of various de-risking projects at Golden Grove, confirmation of a \$24m insurance progress payment and agreement with syndicate of senior lenders on waiver of covenants and restructure of the debt facilities. These milestones have allowed the Company to assess its ongoing funding requirements and to undertake the proposed Equity Raising with confidence that it expects the business will be sufficiently capitalised.

<sup>1</sup> EMR Capital Investors are investors managed or advised by EMR Capital Management Limited or its affiliates, including funds, holding companies of those funds and the investors in those funds.

<sup>2</sup> More details on EMR Capital Investors' participation are provided in the Equity Raising presentation dated 30 August 2023.

<sup>3</sup> The Theoretical Ex-Rights Price ('TERP') is the theoretical price at which 29Metals shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to 29Metals' closing price of \$0.750 on 29 August 2023.

The Equity Raising is expected to fully fund the Capricorn Copper Recovery, near term Golden Grove capital projects (including the construction of the proposed life-of-mine tailings storage facility and the conversion of the paste plant to accept wet tailings) as well as working capital. The Equity Raising will substantially de-risk the business with pro-forma net cash of \$31m based on cash as at 30 June 2023 and gross proceeds of Entitlement Offer.

**Peter Albert, Managing Director & CEO, commented:**

*“The Equity Raising announced today will enable the Company to fund the Capricorn Copper Recovery Plan and also provide a platform for the Company to complete key growth initiatives.*

*We are pleased that the Capricorn Copper Recovery Plan continues to progress, with the restart of operations at Mammoth and Greenstone earlier this month a key milestone for the Company, with dewatering and rehabilitation expected to enable targeted full recovery of operations by mid H1-2024.*

*In the near term, the Company is focused on current water reduction measures as well as addressing tailings storage solutions to support operations. In the medium term, the Company intends to deliver on the tremendous exploration potential at existing orebodies, Mammoth and Esperanza South, as well as the approximately 1,900km<sup>2</sup> tenement area surrounding the mine site.*

*At Golden Grove, the Equity Raising will allow the Company to continue the ramp-up of the high grade Xantho Extended orebody and positions us well to deliver long-term growth from the development of Gossan Valley which will provide an independent production front from 2026, as well as potentially Cervantes, where conversion drilling is ongoing.”*

## Equity Raising

The Equity Raising will be conducted through a 1 for 2.20 accelerated non-renounceable entitlement offer, resulting in the issue of approximately 219.1 million New Shares, representing approximately 45.5% of the current issued capital of 29Metals.

The Offer price of \$0.690 per share represents a:

- 5.6% discount to TERP of \$0.731 based on the last closing price on 29 August 2023; and
- 8.0% discount to the last closing price of \$0.750 on 29 August 2023.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares of 29Metals. 29Metals will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Eligible shareholders will be invited to subscribe for 1 New Share for every 2.20 29Metals shares held, as at 7:00pm (Sydney time) on 1 September 2023 (**Record Date**). The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

29Metals' largest shareholder, EMR Capital Investors, which has an interest in 44.85% of 29Metals' shares, is fully supportive of the Equity Raising and will subscribe for \$67.8 million of New Shares as part of the Equity Raising<sup>4</sup>.

All Directors intend to participate in the Entitlement Offer in respect of shares they hold<sup>5</sup>.

Macquarie Capital (Australia) Limited and Jarden Securities Pty Ltd (**Underwriters**) are acting as joint lead managers, bookrunners and underwriters to the Equity Raising.

## Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer. The Institutional Entitlement Offer will open today, Wednesday, 30 August 2023.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible

<sup>4</sup> More details on EMR Capital Investors' participation are provided in the Equity Raising presentation dated 30 August 2023.

<sup>5</sup> Directors reserve the right to participate for their full or partial entitlement.

institutional shareholders, will be offered to certain new and existing institutional investors concurrently with the Institutional Entitlement Offer.

## Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on 6 September 2023 and close at 5.00pm (Sydney time) on 25 September 2023.

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on Friday, 1 September will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet (**'Retail Offer Booklet'**). The Retail Offer Booklet and accompanying personalised entitlement and acceptance form are expected to be made available on Wednesday, 6 September.

The Equity Raising is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect to entitlements they do not take up and their percentage equity interest in 29Metals' will be diluted.

## Further information

Further details of the Entitlement Offer are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

## Key dates

Event	Date
Trading halt and announcement of the Entitlement Offer	Wednesday, 30 August 2023
Institutional Entitlement Offer closes	Wednesday, 30 August 2023
Announce results of Institutional Entitlement Offer	Thursday, 31 August 2023
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 31 August 2023
Record Date for the Entitlement Offer	Friday, 1 September 2023
Despatch of Retail Offer Booklet and Entitlement and Acceptance Forms	Wednesday, 6 September 2023
Retail Entitlement Offer opens	Wednesday, 6 September 2023
Settlement of New Shares issued under the Institutional Entitlement Offer	Thursday, 7 September 2023
Allotment and trading on ASX of New Shares issued under the Institutional Entitlement Offer	Friday, 8 September 2023
Retail Entitlement Offer closes	Monday, 25 September 2023
Announce results of Retail Entitlement Offer	Thursday, 28 September 2023
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 29 September 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 2 October 2023
Trading on ASX of New Shares issued under the Retail Entitlement Offer	Tuesday, 3 October 2023
Despatch of holding statements for New Shares to retail holders	Tuesday, 3 October 2023

**Note:** These timings are indicative only and subject to variation. 29Metals reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. Any extension of the closing date will have a consequential effect on the anticipated date for issue of the New Shares. In that event, the relevant application monies will be returned without interest in accordance with the Corporations Act. All references are to Sydney time.

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*Authorised for release by the Board of Directors*

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## **IMPORTANT INFORMATION**

### **IMPORTANT NOTICE**

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

### **FORWARD LOOKING STATEMENTS**

This announcement contains certain 'forward-looking statements'. The words 'forecast', 'expect', 'guidance', 'intend', 'will' and other similar expressions are intended to identify forward-looking statements. Forecasts or indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of 29Metals. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. 29Metals disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.