

ASX ANNOUNCEMENT

Friday, 16 February 2024

Letter to Shareholders from Chair of the Board

Dear 29Metals Shareholders and Supporters,

On behalf of the Board of Directors, I am writing to you our Shareholders and most important supporters regarding the recent negative trading activity.

The recent dramatic fall in our share price is, in our opinion, unwarranted and is a serious concern for the Board of Directors. The underlying value of the Company's assets is unchanged:

- we have over 120Mt in Mineral Resources and over 30Mt in Ore Reserves, at very competitive metal grades of copper, zinc, gold, silver and lead;¹ and
- at both Golden Grove and Capricorn Copper, our Mineral Resources and Ore Reserves estimates have significant upside potential to sustain, grow and extend our business well beyond the current 10-year plus mine lives.

Without question, 2023 was a challenging year for the Company - as shown in our results at the half-year and our December 2023 quarterly report – and a challenging year for our shareholders.

2024 is a recovery year to set us up for long term success.

At Golden Grove:

- the ventilation system failures are now behind us which will allow continued improvements in development and mining rates from Xantho Extended – one of the richest ore sources we have ever seen at Golden Grove;
- labour market pressures in the West appear to be abating; and
- cost out programs in 2023 yielded significant savings, and in 2024 we have a company-wide program targeting additional sustainable costs savings. The biggest cost area at Golden Grove is the mining activities, and our mining contractor, Byreicut, is working closely with us to drive additional efficiencies and cost savings.

At Capricorn Copper, the recently conferred Prescribed Project Status is ensuring good engagement with the regulators and, whilst we don't have a definitive decision in respect of our recent application to support short term tailings management, we remain confident of a positive outcome. If we don't get the outcome we anticipate then we will implement an interim plan which will contain costs whilst we complete works necessary for a long term tailings solution, as well as continue to manage our environmental stewardship responsibilities.

Shareholders can be confident that the Board of Directors and the management teams across the business are entirely focused on achieving successful outcomes at both our operations and building the business for the future.

¹ 31 December 2022 Mineral Resources and Ore Reserves estimates, as released to the ASX announcements platform on 23 February 2023.

We are all working furiously on all fronts – operationally, technically, commercially and regulatory.

Like you, the Board is disappointed by the recent selling and the share price fall. We all feel the pain. We appreciate the feedback we have received from our investors and the market. Please stay in touch.

Yours sincerely,

Owen Hegarty OAM
Non-Executive Chair

On behalf of the Board of Directors

Authorised for release by the Chair of the Board of Directors, Owen Hegarty OAM

Enquiries

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