29 Metals

ASX ANNOUNCEMENT
Tuesday, 27 August 2024

Appendix 4D and 2024 Half-Year Financial Report

Accompanying this release is the Appendix 4D and Half-Year Financial Report for 29Metals Limited ('**29Metals**' or, the '**Company**') and its controlled entities for the six months ended 30 June 2024.

- ENDS -

Authorised for release by the Company Secretary, Naomi Dolmatoff

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Appendix 4D and Half-Year Financial Report
29Metals Limited and its Controlled Entities

for the half-year ended 30 June 2024

Contents

Appendix 4D

29Metals Limited

HALF-YEAR ENDED 30 JUNE 2024

Current Reporting Period	Half-year ended 30 June 2024
Prior Corresponding Period	Half-year ended 30 June 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	HALF-YEAR 30 JUNE 2024	HALF-YEAR 30 JUNE 2023	MOVEMENT	
	$'000	$'000	$'000	%
Revenue from ordinary activities	243,025	235,029	7,996	3.4%
Loss from ordinary activities after tax attributable to members	(109,186)	(306,667)	197,481	64.4%
Net loss for the period attributable to members	(109,186)	(306,667)	197,481	64.4%

Dividends

Paid during the Reporting Period

There were no dividends paid to shareholders during the half-year ended 30 June 2024.

Declared after the Reporting Period

No dividends were declared after the Reporting Period.

Net tangible assets per share

	30 JUNE 2024 $	30 JUNE 2023 $
Net tangible assets per share (Includes *right of use* assets)	0.45	0.85

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Explanation of results

Requirement	Refer to	Page reference
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Earnings per share	Consolidated Statement of Comprehensive Income	21
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Statement of retained earnings	Consolidated Statement of Changes in Equity	23
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Details of entities over which control has been gained or lost during the period

There were no entities over which control was gained or lost during the half-year ended 30 June 2024 (the '**Reporting Period**').

Details of any associates and joint venture entities

There were no associates or joint ventures during the current Reporting Period or the Prior Corresponding Period.

Other information

All other information can be obtained from the accompanying Financial Report, which comprises the Directors' Report, the Consolidated Financial Statements and the Directors' Declaration for the Reporting Period.

Information about review

This Appendix 4D is based on the accompanying Financial Report which has been reviewed by the Group's external auditors, Ernst & Young Australia. A copy of Ernst & Young Australia's independent review report can be found on pages 48 to 49. The review report includes an emphasis of matter regarding material uncertainty related to going concern.

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 half-year ended 30 June 2024 (the '**Reporting Period**').

Corporate Information

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

Directors

The names and details of the Directors of the Company during and since the end of the Reporting Period are set out below.

NAME	POSITION	PERIOD AS DIRECTOR
Owen Hegarty OAM	*Non-executive Director* *Chair of Board of Directors*	27 May 2021 – current
Fiona Robertson AM	*Independent Non-executive Director*	27 May 2021 – current
Jacqueline McGill AO	*Independent Non-executive Director*	27 May 2021 – current
Martin Alciaturi	*Independent Non-executive Director*	27 May 2021 – current
Tamara Brown	*Independent Non-executive Director*	17 April 2023 – current
Francis 'Creagh' O'Connor	*Non-executive Director*	17 April 2023 – current
Peter Albert [1]	*Managing Director & CEO*	27 May 2021 – 30 April 2024

[1] Mr Albert retired as Managing Director & CEO on 30 April 2024.

Nature of Operations and Principal Activities

The nature of operations and principal activities of the Group are mining and mineral production, mineral concentrate sales, mineral exploration and development and ancillary services. 29Metals operates two long-life mines located in Western Australia (Golden Grove) and Queensland (Capricorn Copper), currently in suspension [1]. In addition, the Group undertakes near-mine and regional exploration activities at its operating mines and at the Redhill exploration project, located in southern Chile.

For information on the activities of the Group during the Reporting Period, refer to the Operating and Financial Review section in this Directors' Report.

Significant Changes in the State of Affairs

On 26 March 2024, the Company announced the decision to suspend the operations at Capricorn Copper [1]. The decision to suspend operations followed an extended period of rainfall between late January and mid-March 2024, due to weather in the region following consecutive tropical cyclones. As a result of the steady accumulation of water in regulated structures, water levels on site reached levels similar to that following the March 2023 Extreme Weather Event [2].

Other than as stated above, there were no significant changes in the state of affairs of the Group.

Consolidated Result

The statutory financial information reflects the Group for the Reporting Period and the Prior Corresponding Period.

Operating and Financial Review

The Operating and Financial Review for the Reporting Period commences from page 7 and forms part of this Directors' Report.

Dividends

There were no dividends paid to shareholders during the Reporting Period.

There is no interim dividend declared or proposed.

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[1] Refer to 29Metals' ASX release entitled '*Capricorn Copper – Suspension of Operations*' released to the ASX announcements platform on 26 March 2024.

[2] For information regarding the impact of Extreme Weather Event at Capricorn Copper in March 2023 refer to: '*Impact of Extreme Rainfall on Capricorn Copper Operations*' released to the ASX announcements platform on 9 March 2023; '*Capricorn Copper Operations Update*' released to the ASX announcements platform on 15 March 2023; '*Capricorn Copper Update*' released to the ASX announcements platform on 20 April 2023; and '*Strategic Update*' released to the ASX announcements platform on 23 May 2023.

Subsequent Events

Refer to Note 21 for the variation of contract capacity and the extension of the power supply agreement with Diamantina Power Station subsequent to the end of the Reporting Period.

Other than as stated above, 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.

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 this Directors' Report and the Half-Year Consolidated Financial Statements 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 6 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors on 27 August 2024.

OWEN HEGARTY OAM

Chair of the Board of Directors
Non-executive Director

FIONA ROBERTSON AM

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

Auditor's Independence Declaration

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

As lead auditor for the review of the half-year financial report of 29Metals Limited for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

Sarang Halai

Sarang Halai
Partner
27 August 2024

Operating and Financial Review

This is the Operating and Financial Review for the Group for the half-year ended 30 June 2024 (the '**Reporting Period**'). The prior period results are for the half-year to 30 June 2023 ('**Prior Corresponding Period**'), unless otherwise stated.

At Capricorn Copper, operations were suspended during the Reporting Period [3]. The suspension of operations at Capricorn Copper had a material impact on the Group's operating and financial results for the Reporting Period. Information regarding the financial impacts of the Extreme Weather Event [4] and suspension of operations at Capricorn Copper are set out in Notes 6 and 7 to the Consolidated Financial Statements.

KEY OPERATING RESULTS

- Group total recordable injury frequency ('**TRIF**') of 9.2/mwhrs [5] at 30 Jun 2024 (31 Dec 2023: 6.5/mwhrs) follows a challenging half-year for safety, with a number of recordable injuries occurring at Golden Grove.
- Group copper production of 14.2kt (2023: 10.0kt), 42% higher than the Prior Corresponding Period, reflecting:
  - increased copper production at Golden Grove to 12.2kt (2023: 7.4kt) from higher grade copper ore milled; and
  - copper production at Capricorn Copper of 2.0kt (2023: 2.6kt) prior to the suspension of operations.
- Zinc production of 20.0kt (2023: 22.1kt), 10% lower than the Prior Corresponding Period reflecting lower zinc recoveries, primarily due to low proportion of zinc ore milled during the Mar-Qtr 2024.
- At Golden Grove, 29Metals made strong progress in relation to its key strategic priorities, including:
  - ramp up in development activity and ore production from the high-grade Xantho Extended orebody, with development advance of 1,783m (2023: 980m) and ore production of 242kt (2023: 120kt);
  - receipt of a key approval for Tailings Storage Facility ('**TSF**') 4 from Department of Energy, Mines, Industry Regulation and Safety ('**DEMIRS**') – a new facility which will provide long-term tailings capacity; and
  - progress towards a final investment decision for Gossan Valley, including: submission of applications for regulatory approvals; mine plan redesign and optimisations; commencement of geotechnical drilling at planned box-cut and raise bore locations; and issue of tenders for key work packages.
- In March 2024, 29Metals suspended operations at Capricorn Copper after a period of rainfall between late January and mid-March 2024 following consecutive tropical cyclones in the region. As a result, on-site water levels in regulated structures steadily increased to levels similar to the levels following the Extreme Weather Event in 2023.
- Following suspension of operations at Capricorn Copper, the Group focussed on the preservation of Group liquidity, maintaining environmental management and compliance, and progressing the key imperatives for a successful and sustainable restart of operations, which include:
  - **Short term water reduction:** Sustainable reduction of water levels on site;
  - **Long-term water solutions**: Infrastructure, including a new water treatment plant, to enable a sustainable long-term site water balance upon restart; and
  - **Life of mine tailings capacity**: Derisked 10+ years of tailings storage capacity.
- Reducing water levels on site is the immediate focus, with significant investment through the Reporting Period in water treatment and bulk release infrastructure in preparedness for the 2024/2025 wet season and beyond.
- James Palmer commenced as Chief Executive Officer of 29Metals on 1 May 2024.

KEY FINANICAL RESULTS

- Total revenue of $243,025,000 [6] was 3% higher than the Prior Corresponding Period, reflecting a combination of higher zinc concentrate revenue being partly offset by lower copper and lead concentrate revenues.

[3] Refer to ASX announcement '*Capricorn Copper – Suspension of Operations*', released on 26 March 2024.

[4] For information regarding the impact of Extreme Weather Event at Capricorn Copper in March 2023 refer to: '*Impact of Extreme Rainfall on Capricorn Copper Operations*' released to the ASX announcements platform on 9 March 2023; '*Capricorn Copper Operations Update*' released to the ASX announcements platform on 15 March 2023; '*Capricorn Copper Update*' released to the ASX announcements platform on 20 April 2023; and '*Strategic Update*' released to the ASX announcements platform on 23 May 2023.

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

[6] Total revenue cited inclusive of quotational period ('**QP**') adjustments and net of treatment and refining charges ('**TCRCs**').

- Group Site Operating Costs [7] of $194,075,000 (2023: $176,166,000) were 10% higher than the Prior Corresponding Period, reflecting:
  - a 9% increase in Site Operating Costs [7] at Golden Grove, reflecting a combination of higher activity and cost inflation; and
  - a 17% increase in Site Operating Costs [7] (excluding Recovery Costs [7]) at Capricorn Copper, prior to suspension of operations.
- An EBITDA [7] and Net Loss After Tax ('**NLAT**') of $5,050,000 and $109,186,000, respectively.
- The NLAT is after non-cash expenses recorded during the Reporting Period, including:
  - $47,626,000 depreciation and amortisation ('**D&A**') expenses;
  - a $30,000,000 impairment recognised at 30 June 2024 in relation to the Capricorn Copper cash generating unit ('**CGU**'), reflecting the impacts of the decision to suspend operations and the anticipated time to resume operations on site; and
  - a $8,777,000 write-off of ore stockpiles at Capricorn Copper.
- Other income includes a further unallocated progress payment of $16,000,000 from 29Metals' insurers in response to the insurance claim for loss and damage suffered resulting from the Extreme Weather Event. The claim process remains ongoing.
- Total Liquidity [7] at 30 June 2024 was $129,704,000 (31 December 2023: $161,859,000), including undrawn liquidity of US$30,000,000 under the US$50,000,000 mezzanine loan note subscription agreement ('**Mezzanine Loan Note facility**') with Glencore Australia Holdings Pty Limited ('**Glencore**'), which completed during the Reporting Period.
- Drawn Debt [7] at 30 June 2024 was $216,796,000 (31 December 2023: $217,211,000).

Basis of Preparation

The Half-Year Consolidated Financial Statements for the Reporting Period are condensed general purpose financial statements prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

The Half-Year Consolidated Financial Statements do not include all the information and disclosures required in the Annual Consolidated Financial Statements, and should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023 and any public announcements made by 29Metals during the Reporting Period and to the date of the Half-Year Consolidated Financial Statements in accordance with the continuous disclosure requirements of the ASX listing rules.

The Annual Consolidated Financial Statements of 29Metals and its controlled entities for the year ended 31 December 2023 are available from the Company's website (www.29metals.com) or upon request from the Company's registered office.

The Half-Year Consolidated Financial Statements:

- have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value through profit or loss; and
- are 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.*

The accounting policies and methods of computation adopted in the Half-Year Consolidated Financial Statements are consistent with those adopted and disclosed in the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023.

Going Concern

The Half-Year Consolidated Financial Statements for the half-year ended 30 June 2024 have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and meet its debts as and when they become due and payable.

For the purposes of assessing the appropriateness of preparing the Consolidated Financial Statements for the half-year on a going concern basis, the Directors have had regard to the continuing significant financial impact of the Extreme Weather Event at Capricorn Copper in March 2023, and the subsequent suspension of operations at Capricorn Copper in March 2024 on the Group's financial results for the half-year ended 30 June 2024, reflected in the following:

- a Group loss after tax of $109,186,000 (2023: $306,667,000) including non-cash impairment of $30,000,000 to the Capricorn Copper CGU;
- net cash inflows from operating activities of $1,382,000 (2023: net cash outflow of $24,640,000), which includes operating costs associated with recovery and suspension activities at Capricorn Copper and insurance proceeds of $16,000,000 received in April and May 2024; and
- prior to 30 June 2024, the Group sought and obtained covenant relief under the Group corporate senior debt facility, in respect of the Net Total Leverage Ratio ('**NTLR**') covenant under the Group debt facilities for the 30 June 2024 calculation date (refer to Note 16).

...

[7] *AISC, C1 Costs, Drawn Debt, EBITDA, Drawn Debt, Net Drawn Debt, Recovery Costs, Expenses during suspension period, Site Operating Costs and Total Liquidity* are a non-IFRS financial information metric. Refer to important information on page 10 regarding the use of non-IFRS financial information metrics in this report.

The Group met its minimum cash balance covenant of US$25,000,000 at 30 June 2024 which, pursuant to waivers provided by the Group's lenders on other covenants, is the only financial covenant requirement at 30 June 2024 for both the senior debt and the finance facility with Glencore (refer to Note 16).

The Group has continued to take steps during the Reporting Period to manage its access to liquidity, including:

- on 10 June 2024, the Group entered into the Mezzanine Loan Note facility for US$50,000,000. The Group drew down US$20,000,000 on 20 June 2024 (refer to Note 16); and
- the Group satisfied its annual clean-down requirement for its working capital facility between 19 March 2024 to 21 March 2024 and subsequently redrew US$40,000,000 of the working capital facility which remains outstanding at 30 June 2024 (refer to Note 16).

Further information regarding the financial impacts of the Extreme Weather Event in March 2023, and the suspension of operations at Capricorn Copper announced in March 2024 is disclosed in Note 6 and Note 7, respectively.

The Group's current assets at 30 June 2024 amounted to $227,346,000 (31 December 2023: $306,660,000) and include cash and cash equivalents of $84,704,000 (31 December 2023: $161,859,000).

The Group's current liabilities at 30 June 2024 exceed current assets by $28,095,000 (31 December 2023: net current assets of $46,149,000). Current liabilities as at 30 June 2024 amounted to $255,441,000 (31 December 2023: $260,511,000) which includes current interest-bearing liabilities of $74,900,000 at 30 June 2024 (31 December 2023: $99,836,000). Included in the current interest-bearing liabilities at 30 June 2024 is the working capital facility of $60,468,000 (31 December 2023: $58,997,000) which is classified as a current liability as the working capital facility is repayable at the end of its interest period of one to three months. Any part of the working capital facility that is repaid can be reborrowed (subject to annual clean down requirements described above). The Group's working capital facility matures on the fifth anniversary after financial close (29 October 2026), after reducing to US$10,000,000 at the fourth anniversary of financial close (29 October 2025).

At 30 June 2024, the Group's available facility under the Mezzanine Loan Note facility amounted to US$30,000,000. At the date of this report, this remains undrawn on and continues to be available.

The senior facilities require compliance with minimum cash, NTLR and the Debt Service Cover Ratio ('**DSCR**') covenants. The minimum cash requirement requires the Group to maintain minimum cash and cash equivalents of US$30,000,000 at each reporting date of 30 June and 31 December in future periods. The NTLR is the ratio of total net debt for the senior facilities on the calculation date to EBITDA [8] for the 12 months calculation period ending on that calculation date, with a covenant requirement of less than 2:1. The DSCR covenant is the ratio of cash flows available for debt service for the senior facilities on the calculation date to total debt service for the senior facilities for the 12 months calculation period ending on that calculation date, with a covenant requirement of greater than 1.2:1.

The Mezzanine Loan Note facility includes a covenant that the Group maintain minimum cash of US$30,000,000 at 30 June and 31 December each year in future periods (refer to note 16).

The key assumptions to achieve compliance with the minimum cash at 31 December 2024 and 30 June 2025, the NTLR at 31 December 2024 and 30 June 2025, and the DSCR at 30 June 2025, include:

- achieving planned production at Golden Grove and achieving forecast EBITDA [8];
- availability of US$30,000,000 under the Mezzanine Loan Note facility;
- receipt of further proceeds from the ongoing insurance claim related to the loss and damage suffered as a result of the Capricorn Copper Extreme Weather Event during the first half of 2023; and
- ongoing management of working capital in line with expectations.

Should the Company be unable to comply with the minimum cash, NTLR and DSCR covenant requirements for the dates stated above, and is unable to obtain covenant waivers from the Company's lenders, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business.

These Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

The Directors, in considering the appropriateness of the going concern basis for the preparation of the Consolidated Financial Statements, have reviewed the Group's cash flow forecasts prepared by Management which indicate the Group should have sufficient cash to continue as a going concern for the 12 months from the date of this report.

The Directors, at the date of signing, consider that the going concern basis of preparation for the Consolidated Financial Statements is appropriate on the basis of:

- the matters outlined above;

...

[8] *EBITDA* is a non-IFRS financial information metric. Refer to important information on page 10 regarding the use of non-IFRS financial information metrics in this report.

- refinancing options available to the Group in respect of the senior and subordinated liabilities (including the environmental bond) as well as ongoing engagement with the Group's lenders; and
- additional options available to enhance Group liquidity.

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)

Non-IFRS Financial Information

29Metals' results are reported under IFRS. This report includes certain metrics, such as *AISC, C1 Costs, Drawn Debt, EBITDA, Net Drawn Debt, Recovery Costs, Expenses during suspension period, Site Operating Costs* and *Total Liquidity*, which 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 19 for definitions of the non-IFRS financial information metrics used in this report.

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 REVIEW

Safety Performance

Key metrics as at		30-Jun-2024	31-Dec-2023	VAR
TRIF [1]	/mwhrs	9.2	6.5	2.7
LTIF [1]	/mwhrs	2.3	1.5	0.8

1. TRIF and lost-time injury frequency ('**LTIF**') are reported on a 12-month rolling average basis, reported per mwhrs.

29Metals implemented the following actions to address and improve safety performance:

- safety stops were held across Golden Grove with work groups to address safety incidents;
- the Group critical risk management program remained a key focus, with management review via Critical Control Verifications ongoing; and
- maintaining a focus on leading indicators, including leadership interactions, hazard reporting, workplace inspections and close out of actions resulting from incident investigations.

Golden Grove

Golden Grove is a world-class volcaniclastic-hosted massive sulphide system, located in Western Australia. Operating since 1990, Golden Grove has a long history of discovery, resource extension, production growth and mine-life extensions.

For the 6 months ended 30 June		2024	2023	VAR
Ore mined	kt	710	706	4
Ore milled	kt	736	702	34
Milled Grades				
Copper	%	1.9%	1.2%	0.7%
Zinc	%	3.4%	3.7%	(0.3%)
Metal Production				
Copper	kt	12.2	7.4	4.8
Zinc	kt	20.0	22.1	(2.1)
Gold	koz	9.2	6.3	2.9
Silver	koz	394	391	3
Lead	kt	0.19	0.85	(0.66)
Costs				
Site Operating Costs [1]	$'000	161,802	148,612	13,190
C1 Costs [1]	$'000	89,424	76,979	12,445
C1 Costs [1]	US$/lb	3.05	3.21	(0.16)
AISC [1]	$'000	121,133	105,399	15,734
AISC [1]	US$/lb	4.13	4.39	(0.26)
Capital				
Sustaining capital	$'000	7,653	10,697	(3,044)
Capitalised development	$'000	9,812	9,437	375
Growth capital	$'000	10,296	6,018	4,278
Financial				
Revenue	$'000	219,826	195,891	23,935
EBITDA [1]	$'000	33,800	11,712	22,088

1. *Site Operating Costs, C1 Costs, AISC* and *EBITDA* are non-IFRS financial information metrics. Refer to page 10 for important information regarding the use of non-IFRS financial information metrics in this report.

Key results for the Reporting Period, include:

- Progressive improvement in Golden Grove operating performance, with higher copper production and lower unit costs versus the Prior Corresponding Period.
- With major debottlenecking projects completed, record development advance rates of 1,783 metres (2023: 980 metres) were achieved at Xantho Extended during the Reporting Period. Xantho Extended, as Golden Grove's highest value ore source, is a key near-term value driver for the asset.
- Focus on cost reduction and productivity improvements at Golden Grove remained ongoing, examples of projects implemented during the Reporting Period included:
  - transition to containerised concentrate transport using the Rotabox system, providing productivity gains, logistical flexibility, and environmental advantages;

- — commencement of remote bogging underground; and
- — remote fan controls and gas monitoring to reduce re-entry times.

- Progress was made on TSF4 during Reporting Period, with a key approval received from DEMIRS. The TSF4 project remains on track for completion early in the Mar-Qtr of 2025.
- Works during the Reporting Period to progress Gossan Valley towards a final investment decision included: submission of applications for regulatory approvals; mine plan redesign and optimisations; commencement of geotechnical drilling at planned box-cut and raise bore locations; and issue of tenders for key work packages. Upon development, Gossan Valley is expected to enhance overall ore production and scheduling flexibility by providing an additional independent, and relatively shallow, production front at Golden Grove.

Capricorn Copper (operations currently in suspension)

The Capricorn Copper mine, located in Queensland, is a high-grade copper and silver mine with multiple ore sources. When operating, it employed a combination of sub-level cave and open stope mining. The asset has a potential mine life of more than 10 years and an approximately 1,900km^2 land position in the highly prospective Mt Isa inlier region.

For the 6 months ended 30 June		2024	2023	VAR
Ore mined	kt	161	234	(73)
Ore milled	kt	158	193	(35)
Milled Grades				
Copper	%	1.6%	1.7%	(0.1%)
Metal Production				
Copper	kt	2.0	2.6	(0.6)
Silver	koz	8	20	(12)
Costs				
Site Operating Costs [1]	$'000	32,273	27,554	4,719
Recovery Costs [1]	$'000	10,426	32,695	(22,269)
Expenses during suspension period [1]	$'000	17,839	-	17,839
Capital				
Sustaining capital	$'000	1,476	2,709	(1,233)
Capitalised development	$'000	4,039	4,200	(161)
Capital during suspension period	$'000	13,822	-	13,822
Profitability				
Revenue	$'000	23,199	39,138	(15,939)
EBITDA [1]	$'000	(19,512)	(24,936)	5,424

1. *Site Operating Costs, Recovery Costs, Expenses during suspension period* and *EBITDA* are non-IFRS financial information metrics. Refer to page 10 for important information regarding the use of non-IFRS financial information metrics in this report.

Key results for the Reporting Period, include:

- In March 2024, 29Metals suspended operations at Capricorn Copper after a period of rainfall between late January and mid-March 2024 following consecutive tropical cyclones in the region. As a result, on-site water levels steadily increased to levels similar to those following the Extreme Weather Event. Due to increased water levels, dewatering of Esperanza South ('**ESS**') could not continue, in turn, delaying the restart of mining at ESS in accordance with the Capricorn Copper Recovery Plan [9].
- The decision to suspend operations allows the Group to focus on the preservation of Group liquidity, maintaining focus on environmental management and compliance, and progression of key imperatives for a successful and sustainable restart of operations.
- The imperatives for a successful and sustainable future restart of operations are:
  - — **Short term water reduction:** Sustainable reduction of water levels on site;
  - — **Long-term water solutions**: Infrastructure, including a new water treatment plant, to enable a sustainable long-term site water balance upon restart; and
  - — **Life of mine tailings capacity**: Derisked 10+ years of tailings storage capacity.
- Reducing water levels on site is the immediate focus, with significant investment through the Reporting Period in water treatment and bulk release infrastructure in preparedness for the 2024/2025 wet season and beyond.

[9] For details on the Capricorn Copper Recovery Plan refer to '*Strategic Update*' released to the ASX announcements platform on 23 May 2023; '*Update – Capricorn Copper Recovery*' released to the ASX announcements platform on 5 July 2023; and '*Capricorn Copper Restart*' released to the ASX announcements platform on 1 August 2023.

Exploration Activities

Drilling activity during the Reporting Period was focused on Capricorn Copper and Golden Grove, and is summarised below.

Reporting Period Drilling Activity	Unit	Exploration	Resources Extension	Resource Conversion
Golden Grove	Metres	-	-	6,244 [1]
Capricorn Copper	Metres	1,756	-	-

1. Total resource conversion metres differ to sum of metres reported in the Company's Mar-Qtr and Jun-Qtr 2024 reports following correction of a transcription error in the Mar-Qtr 2024 report.

Golden Grove

Drilling focused on resource conversion at Hougoumont Extended, Oizon and Xantho Extended orebodies. Conversion drilling to date has aligned with current geological understanding of the target areas.

Capricorn Copper

Drilling focused on exploration east of the Portal Fault at Mammoth, with results confirming continuity and orientation of a new mineralised zone east of the Mammoth orebody (named '**Woolly**'). Results included [10]:

- UDMAM24_02B: 47m @ 1.1% Cu, 3g/t Ag, 60ppm Co, from 567m
    - Including, 7.2m @ 4.8% Cu, 10g/t Ag, 199ppm Co, from 583.3m

Resource Extension drilling intercepted high-grade copper mineralisation along strike outside of the existing Mammoth Mineral Resource estimates, including [9]:

- UDMAM24_001: 45.4m @ 2.5% Cu, 9g/t Ag, 161ppm Co, from 345m

Full details of the exploration results for Capricorn Copper contained in this report are provided in 29Metals' ASX announcement entitled '*High-grade copper drilling results at Capricorn Copper*' dated 22 July 2024. 29Metals confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the relevant exploration results in that announcement continues to apply and has not materially changed.

Data processing and analysis of ambient noise tomography, ground gravity and magnetotelluric data in relation to the Cooperative Exploration Initiative were completed during the Reporting Period, with the final report submitted to the Queensland Government. A geological model has been developed with multiple areas identified for further assessment and potential follow-up work.

Redhill

No field exploration activity has been undertaken during the Reporting Period, with work limited to ongoing desktop evaluation of the ground southeast of the known Cutters mineralisation seeking to identify potential for additional mineralisation. Multiple scenarios have been developed for potential future project activities. 29Metals intends to evaluate its strategic options for Redhill over the medium term.

[10] Refer to '*High-grade copper drilling results at Capricorn Copper*' released to the ASX announcements platform on 22 July 2024 for further information regarding drilling results, including Competent Person's Statement and JORC Code Table 1 disclosures.

FINANCIAL REVIEW

Price and FX

For the 6 months ended 30 June		2024	2023	VAR
Copper	US$/t	9,085	8,703	382
Zinc	US$/t	2,638	2,835	(197)
Gold	US$/oz	2,205	1,933	272
Silver	US$/oz	26	23	3
Lead	US$/t	2,120	2,129	(9)
Australian dollar (period average)	AU$:US$	0.658	0.676	(0.018)
Australian dollar (at period end)	AU$:US$	0.667	0.666	0.001

Source: *S&P Global*.

Average prices for copper during the Reporting Period were 4% higher than the Prior Corresponding Period, while zinc prices were 7% lower than the Prior Corresponding Period, in US$ terms. The average Australian dollar exchange rate for the Reporting Period of 0.658 was 3% lower than the Prior Corresponding Period.

Net Revenue

For the 6 months ended 30 June		2024	2023	VAR
Copper concentrate	$'000	158,219	161,383	(3,164)
Zinc concentrate	$'000	63,368	44,241	19,127
Lead concentrate	$'000	14,046	27,792	(13,746)
Shipping revenue	$'000	8,284	6,015	2,269
Quotational Period ('**QP**') price adjustment	$'000	(892)	(4,402)	3,510
Total revenue	**$'000**	**243,025**	**235,029**	**7,996**
Copper concentrate revenue as a % of total revenue	*%*	65%	69%	(4%)
TCRCs netted off against revenue	*$'000*	31,067	28,829	2,238

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 concentrate revenue is reported net of QP adjustments and TCRCs.

Revenue was 3% ($7,966,000) higher than the Prior Corresponding Period, reflecting a combination of higher zinc concentrate revenue being partly offset by lower copper and lead concentrate revenues.

A portion of the Group's sales are conducted on a Cost Insurance and Freight Incoterms ('**CIF**') basis, where the performance obligation includes providing freight and shipping services. As a result, a portion of the revenue generated from CIF sales is recognised as shipping revenue.

29Metals generally receives payment (and records revenue) for its mineral concentrates on a provisional basis based on the prevailing commodity prices at the time of shipment. Final payments for mineral concentrates include adjustments for the QP that applies to the shipment. QP adjustment charges for the period of $892,000 (2023: $4,402,000), reflect a reduction in metal prices between the time of shipment and final invoice payments.

Gross loss

For the 6 months ended 30 June		2024	2023	VAR
Revenue	**$'000**	**243,025**	**235,029**	**7,996**
Mining costs	$'000	(130,576)	(113,933)	(16,643)
Processing costs	$'000	(46,575)	(48,104)	1,529
Site services costs	$'000	(16,924)	(14,129)	(2,795)
Depreciation and amortisation ('**D&A**')	$'000	(46,288)	(57,495)	11,207
Stockpile movements	$'000	8,125	(12,899)	21,024
Government royalties	$'000	(11,263)	(10,534)	(729)
Other production and selling costs	$'000	(14,819)	(10,841)	(3,978)
Inventory write down – NRV adjustment	$'000	-	(7,337)	7,337
Cost of sales	**$'000**	**(258,320)**	**(275,272)**	**16,952**
Gross loss	**$'000**	**(15,295)**	**(40,243)**	**24,948**

Cost of sales of $258,320,000 was a decrease of 6% from the Prior Corresponding Period, including:

- a 10% increase in Site Operating Costs [11], primarily reflecting higher unit rates under contract mining agreements at both operations as a result of the impacts of industry-wide inflation;
- a 19% reduction in D&A, including lower depreciation at Capricorn Copper reflecting the impairment of property, plant and equipment ('**PPE**'), and Mine properties reported during the Prior Corresponding Period, and lower mine production and processing throughput relative to the Prior Corresponding Period; and
- a stockpile movement credit of $8,125,000 (2023: $12,899,000 charge), due primarily to an increase in concentrate inventories unsold at the end of the Reporting Period, reflecting the differences in timing between production and sales.

D&A

For the 6 months ended 30 June		2024	2023	VAR
PPE	$'000	12,151	12,223	(72)
Mine properties	$'000	22,889	34,118	(11,229)
AASB16 leases amortisation	$'000	12,564	13,382	(818)
Intangibles amortisation	$'000	22	23	(1)
Total D&A	*$'000*	**47,626**	**59,746**	**(12,120)**

Total D&A for the Reporting Period includes D&A in relation to the suspension of operations at Capricorn Copper (refer to Note 7) and head office D&A of $200,000 which are not included in cost of sales.

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

Net Loss After Tax ('NLAT')

For the 6 months ended 30 June		2024	2023	VAR
Gross loss	**$'000**	**(15,295)**	**(40,243)**	**24,948**
Other income	$'000	867	190	677
Net loss on derivative financial instruments	$'000	(7,832)	(5,323)	(2,509)
Net foreign exchange loss	$'000	(7,010)	(623)	(6,387)
Administration expenses	$'000	(17,222)	(17,510)	288
Extreme Weather Event (Note 6)				
– Other income - insurance proceeds	$'000	16,000	-	16,000
– Other income - proceeds from sale of gas	$'000	1,083	1,525	(442)
– Recovery expenses during recovery period	$'000	(6,223)	(30,649)	24,426
– Inventories – NRV writedown	$'000	-	(1,620)	1,620
– D&A	$'000	-	(2,045)	2,045
– Asset impairment expense as a result of damage or loss	$'000	-	(27,000)	27,000
Suspension of operations at Capricorn Copper (Note 7)				
– Other income - proceeds from sale of gas	$'000	1,645	-	1,645
– Expenses during suspension period [12]	$'000	(21,673)	-	(21,673)
– Inventories – writedown	$'000	(8,777)	-	(8,777)
– D&A	$'000	(1,138)	-	(1,138)
Impairment expense relating to Capricorn Copper CGU (Note 15)	$'000	(30,000)	(170,000)	140,000
Loss before net finance costs and income tax expense	**$'000**	**(95,575)**	**(293,298)**	**197,723**
Net finance costs	$'000	(13,611)	(13,369)	(242)
Loss before income tax expense	**$'000**	**(109,186)**	**(306,667)**	**197,481**
Income tax expense	$'000	-	-	-
NLAT	**$'000**	**(109,186)**	**(306,667)**	**197,481**
Loss per share (Basic)	cents	(15.6)	(63.6)	48.0

The Group recorded a loss before income tax expense of $109,186,000 (2023: $306,667,000), including:

- $7,832,000 (2023: $5,323,000) unrealised and realised losses on derivative financial instruments attributable to the Group's pre-IPO gold hedges, reflecting the increase in gold prices during the Reporting Period;
- $29,943,000 losses relating to the suspension of operations at Capricorn Copper including $8,777,000 in non-cash write-down of ore stockpile inventories, net of other income from the on-sale of gas under the Capricorn Copper's long term gas supply agreement;
- non-cash impairment charges of $30,000,000 (2023: $170,000,000) in relation to the Capricorn Copper CGU, reflecting the impacts of the decision to suspend operations and the anticipated time to resume operations on site; and
- $13,611,000 (2023: $13,369,000) net finance costs, primarily reflecting interest charges on Drawn Debt [12] during the Reporting Period.

Deferred tax assets are recognised only if it is probable that future forecast taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to relevant tax legislation associated with their recoupment. On this basis, the net deferred tax asset comprising temporary differences and tax losses have not been recognised.

...
[12] *Expenses during suspension period* and *Drawn Debt* are non-IFRS financial information metrics. Refer to important information on page 10 regarding the use of non-IFRS financial information metrics in this report.

Impairment Assessment

As a result of impairment indicators, a formal assessment of the carrying value of the Golden Grove and Capricorn Copper CGUs was completed at the half-year ended 30 June 2024, whereby each CGU's fair value less costs of disposal ('**FVLCD**') was compared against its carrying value.

For Capricorn Copper, the FLVCD included the forecast costs associated with the restart of operations following the decision to suspend operations, and assumptions about the time required to resume operations on site. As a result of the analysis performed, the following non-cash impairment charges were recorded for Capricorn Copper:

- an inventory write-down of $8,777,000 relating to Capricorn Copper run of mine ('**ROM**') ore stockpiles; and
- an impairment write-down of $30,000,000 relating to the Capricorn Copper CGU.

A summary of the key assumptions and sensitivities in relation to the impairment assessment are included in Note 15 of the Consolidated Financial Statements.

There was no impairment recorded for the Golden Grove CGU.

EBITDA

The Group recorded an EBITDA [1] of $5,050,000 for the Reporting Period (2023: $27,119,000 EBITDA [1] loss). A reconciliation of Group EBITDA [1] to Group NLAT for the Reporting Period is set out in the following table.

For the 6 months ended 30 June		2024	2023	VAR
NLAT	**$'000**	**(109,186)**	**(306,667)**	**197,481**
Add: Income tax expense	$'000	-	-	-
Add: Extreme Weather Event – asset impairment as a result of damage or loss	$'000	-	27,000	(27,000)
Add: Impairment expense relating to Capricorn Copper CGU	$'000	30,000	170,000	(140,000)
Add: Write-down of inventory – ROM ore stockpiles	$'000	8,777	-	8,777
Add: Net finance costs	$'000	13,611	13,369	242
Add: Depreciation and amortisation	$'000	47,626	59,746	(12,120)
Add: Unrealised foreign exchange loss	$'000	6,390	4,110	2,280
Add: Net loss on derivative financial instruments	$'000	7,832	5,323	2,509
EBITDA [1]	**$'000**	**5,050**	**(27,119)**	**32,169**

1. *EBITDA* is a non-IFRS financial information metric. Refer to page 10 for important information regarding the use of non-IFRS financial information metrics in this report.

A split of EBITDA [1] by reportable segment is tabled below.

For the 6 months ended 30 June		2024	2023	VAR
Golden Grove	$'000	33,800	11,712	22,088
Capricorn Copper	$'000	(19,512)	(24,936)	5,424
Exploration, Corporate and Other	$'000	(9,238)	(13,895)	4,657
Total EBITDA [1]	**$'000**	**5,050**	**(27,119)**	**32,169**

1. *EBITDA* is a non-IFRS financial information metric. Refer to page 10 for important information regarding the use of non-IFRS financial information metrics in this report.

Derivative Financial Instruments

During the Reporting Period, the Group continued to cash settle outstanding pre-IPO commodity hedges for gold. The fair value of the outstanding pre-IPO gold hedges at 30 June 2024 was a liability of $15,445,000 (31-Dec-2023: $11,033,000 liability), with the increase in the amount reflecting the increase in the gold price in AUD terms net of hedges settled during the Reporting Period.

Remaining gold hedges will cash settle over the period to October 2025. The volume and pricing of outstanding gold hedges at 30 June 2024 is summarised below.

Outstanding Gold Hedges	Ounces	$/ounce
Jul-Dec 2024	5,004	2,590
Jan-Oct 2025	10,842	2,590

Cash flows

For the 6 months ended 30 June		2024	2023	VAR
Cash flows from / (used in) operating activities	$'000	1,382	(24,640)	26,022
Cash flows used in investing activities	$'000	(51,778)	(40,851)	(10,927)
Cash flows (used in) / from financing activities	$'000	(26,952)	20,427	(47,379)
Net decrease in cash and cash equivalents	**$'000**	**(77,348)**	**(45,064)**	**(32,284)**
Effects of movements in exchange rates on cash held	$'000	193	(254)	447
Cash and cash equivalents at the beginning of the Reporting Period	$'000	161,859	171,962	(10,103)
Cash and cash equivalents at the end of the Reporting Period	**$'000**	**84,704**	**126,644**	**(41,940)**

Cash flows from operating activities includes the second unallocated progress payment of $16,000,000 under the insurance claim received during the Reporting Period in relation to the loss and damage suffered resulting from the 2023 Extreme Weather Event.

Financing cash flows include payments for AASB16 lease liabilities, net interest and principal payments under the Group's debt facilities, and the US$20,000,000 drawdown under the Mezzanine Loan Note facility. Financing cash flows in the Prior Corresponding Period include the drawdown of the Group's US$40,000,000 working capital facility.

Net Drawn Debt and Total Liquidity

During the Reporting Period 29Metals entered into the US$50,000,000 Mezzanine Loan Note facility, and drew down US$20,000,000. The Mezzanine Loan Note facility is subordinated to the existing senior secured Syndicated Facility, which includes the term loan facility and the working capital facility.

29Metals repaid US$20,000,000 of principal against the Group's term loan facility during the Reporting Period, reducing the drawn amount to US$86,000,000 at 30 June 2024 (31 Dec 2023: US$106,000,000). Drawn Debt [1] at 30 June 2024 includes US$40,000,000 from the Group's working capital facility which remained fully drawn at the end of the Reporting Period.

Net Drawn Debt [1]		30-Jun-2024	31-Dec-2023	VAR
Term loan facility	$'000	128,359	153,207	(24,848)
Working capital facility	$'000	60,468	58,997	1,471
Mezzanine Loan Note facility	$'000	27,969	-	27,969
Insurance premium funding	$'000	-	5,007	(5,007)
Drawn Debt [1]	**$'000**	**216,796**	**217,211**	**(415)**
Cash and cash equivalents [2]	$'000	84,704	161,859	(77,155)
Net Drawn Debt [1]	**$'000**	**132,092**	**55,352**	**76,740**
US$ balances included in cash and cash equivalents	*US$'000*	*35,642*	*13,759*	*21,883*

1. *Drawn Debt* and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to page 10 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 38 of the 2023 Annual Financial Report released to the ASX announcements platform on 23 February 2024 for further information regarding the Cash Backed Indemnity Deed.

At 30 June 2024, the Group had Total Liquidity [1] of $129,704,000 (31 December 2023: $161,859,000).

Total Liquidity [1]		30-Jun-2024	31-Dec-2023	VAR
Cash and cash equivalents	$'000	84,704	161,859	(77,155)
Available to be drawn under the working capital facility	$'000	-	-	-
Available to be drawn under the Mezzanine Loan Note facility	$'000	45,000	-	45,000
Total Liquidity [1]	**$'000**	**129,704**	**161,859**	**(32,155)**

1. Total Liquidity is a non-IFRS financial information metric. Refer to page 10 for important information regarding the use of non-IFRS financial information metrics in this report.

In the context of ongoing engagement regarding the impacts of the 2023 Extreme Weather Event and subsequent suspension of operations, 29Metals' lenders provided covenant relief under the Group's corporate debt facilities at 30 June 2024.

The assessment of stamp duty payable in relation to the acquisition of Golden Grove and an instalment payment arrangement were finalised during the Reporting Period. The $26,977,000 stamp duty payable amount plus interest is planned to be paid in 12 equal monthly instalments commencing from July 2024. The applicable prescribed rate of interest is 11.7% p.a. At 30 June 2024, 29Metals has a $27,100,000 accrual for stamp duty including interest accrual from the date of the duties assessment on 12 June 2024.

DEFINITIONS FOR NON-IFRS FINANCIAL INFORMATION & METRICS

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, exploration and Recovery Costs, and Expenses during suspension period. AISC is cited is US$ per pound of payable copper sold and in $'000 terms.
C1 Costs	is mining costs, processing costs, maintenance costs, site general & administrative costs, realisation costs (including shipping and logistics costs), and treatment and refining charges, adjusted for stockpile movements and net of by-product credits (proceeds from non-copper metal sales), but excludes Recovery Costs, and Expenses during suspension period. C1 Costs is cited in US$ per pound of payable copper sold and in $'000 terms.
Drawn Debt	is amounts drawn under Group debt facilities and insurance premium funding facilities as reported in accordance with Australian Accounting Standards, excluding bank guarantees issued under the Group bank guarantee facilities.
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, asset impairment as a result of damage or loss from the Extreme Weather Event at Capricorn Copper, impairment expense relating to the Capricorn Copper CGU, write down of inventory (excluding NRV inventory write downs), write-off of exploration and evaluation expenditure, income tax expense/(benefit) and D&A. Because it eliminates all gains and losses on gold swaps, impairment expenses, 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. A reconciliation of EBITDA to NLAT is set out on page 17 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.
Recovery Costs	is costs incurred in relation to the Extreme Weather Event at Capricorn Copper. Recovery Costs include physical remediation works and allocation of Site Operating Costs to support these activities.
Expenses during suspension period	is costs incurred following the suspension of operations during the Reporting Period at Capricorn Copper. Expenses during the suspension period include demobilisation and termination expenses, suspension and other Site Operating Costs.
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. Site Operating Costs exclude Recovery Costs and expenses during suspension period.
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 Note 38 of the Group's 2023 Annual Consolidated Financial Statements), and funds available to be drawn under 29Metals' working capital facility and Mezzanine Loan Note facility.

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Half-Year Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

Half-year ended 30 June	Note	2024 $'000	2023 $'000
Revenue	5(a)	243,025	235,029
Cost of sales		(258,320)	(275,272)
Gross loss		**(15,295)**	**(40,243)**
Other income	5(b)	867	190
Net loss on derivative financial instruments	5(c)	(7,832)	(5,323)
Net foreign exchange loss	5(d)	(7,010)	(623)
Impacts of Extreme Weather Event at Capricorn Copper			
Other income	6	17,083	1,525
Expenses and impairment	6	(6,223)	(61,314)
Impacts of suspension of operations at Capricorn Copper			
Other income	7	1,645	-
Expenses and impairment	7	(31,588)	-
Impairment expense relating to Capricorn Copper cash-generating unit (‘**CGU**’)	15	(30,000)	(170,000)
Administration expenses		(17,222)	(17,510)
Operating loss		**(95,575)**	**(293,298)**
Finance income	8	2,066	2,053
Interest expense and other cost of finance	8	(15,677)	(15,422)
Net finance costs	8	**(13,611)**	**(13,369)**
Loss before income tax expense		**(109,186)**	**(306,667)**
Income tax expense	9	-	-
Net loss for the half-year		**(109,186)**	**(306,667)**
Net loss for the half-year after tax attributable to members of 29Metals Limited		**(109,186)**	**(306,667)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		599	-
Total comprehensive loss for the half-year attributable to members of 29Metals Limited		**(108,587)**	**(306,667)**
Loss per share (cents per share)			
Basic loss per share	10(a)	(15.6)	(63.6)
Diluted loss per share	10(b)	(15.6)	(63.6)

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

Consolidated Statement of Financial Position

	Note	30 June 2024 $'000	31 December 2023 $'000
Current assets			
Cash and cash equivalents		84,704	161,859
Trade and other receivables		28,556	28,078
Inventories		97,518	95,262
Other financial assets		12,520	12,520
Prepayments		4,048	8,941
Total current assets		**227,346**	**306,660**
Non-current assets			
Prepayments		3,059	3,566
Inventories		-	2,124
Exploration and evaluation expenditure	12	30,761	28,863
Mine properties	13	390,226	405,750
Property, plant and equipment	14	185,626	181,588
Right-of-use assets		51,546	52,576
Intangible assets		56	78
Total non-current assets		**661,274**	**674,545**
Total assets		**888,620**	**981,205**
Current liabilities			
Trade and other payables		131,389	118,863
Interest-bearing liabilities	16	74,900	99,836
Derivative financial liabilities		12,006	5,279
Lease liabilities		23,904	20,154
Provisions		13,242	16,379
Total current liabilities		**255,441**	**260,511**
Non-current liabilities			
Interest-bearing liabilities	16	141,896	117,375
Derivative financial liabilities		3,439	5,754
Lease liabilities		29,256	33,968
Provisions		142,940	141,253
Total non-current liabilities		**317,531**	**298,350**
Total liabilities		**572,972**	**558,861**
Net assets		**315,648**	**422,344**
Equity			
Contributed equity		796,408	795,498
Reserves		4,725	3,145
Accumulated losses		(485,485)	(376,299)
Total equity		**315,648**	**422,344**

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

Half-Year Consolidated Financial Statements

Consolidated Statement of Changes in Equity

	Note	Contributed Equity $'000	Share-based Payment Reserve $'000	Translation Reserve $'000	(Accumulated losses) / Retained Earnings $'000	Total Equity $'000
For the half-year ended 30 June 2024						
Balance at 1 January 2024		**795,498**	**3,510**	**(365)**	**(376,299)**	**422,344**
Loss for the period		-	-	-	(109,186)	(109,186)
Other comprehensive income		-	-	599	-	599
Total comprehensive income		**-**	**-**	**599**	**(109,186)**	**(108,587)**
Transactions with owners in their capacity as owners						
Issue of shares to Non-executive directors from salary sacrifice share plan		412	(412)	-	-	-
Share-based payments	18	-	1,891	-	-	1,891
Shares issued to settle share-based payments		498	(498)	-	-	-
Total transactions with owners in their capacity as owners		**910**	**981**	**-**	**-**	**1,891**
Balance as at 30 June 2024		**796,408**	**4,491**	**234**	**(485,485)**	**315,648**

For the half-year ended 30 June 2023						
Balance at 1 January 2023		**648,464**	**3,306**	**(242)**	**64,164**	**715,692**
Loss for the period		-	-	-	(306,667)	(306,667)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**(306,667)**	**(306,667)**
Transactions with owners in their capacity as owners						
Issue of shares to Non-executive directors from salary sacrifice share plan		150	(150)	-	-	-
Share-based payments	18	-	1,430	-	-	1,430
Shares issued to settle share-based payments		1,326	(1,326)	-	-	-
Total transactions with owners in their capacity as owners		**1,476**	**(46)**	**-**	**-**	**1,430**
Balance as at 30 June 2023		**649,940**	**3,260**	**(242)**	**(242,503)**	**410,455**

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

Consolidated Statement of Cash Flows

Half-year ended 30 June	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		245,779	279,088
Payments to suppliers, employees and others		(260,268)	(303,548)
Proceeds from insurance claim	6	16,000	-
Interest received	8	2,066	2,053
Payments for short-term leases and variable lease payments		(2,195)	(2,233)
Net cash flows from / (used in) operating activities		**1,382**	**(24,640)**
Cash flows from investing activities			
Payments for property, plant and equipment		(32,248)	(18,342)
Payments for development activities		(18,478)	(18,582)
Payments for exploration expenditure		(1,052)	(3,927)
Net cash flows used in investing activities		**(51,778)**	**(40,851)**
Cash flows from financing activities			
Proceeds from borrowings	16	91,264	60,624
Repayment of borrowings	16	(96,252)	(18,208)
Repayment of lease liabilities		(11,664)	(12,736)
Interest and borrowing costs paid		(10,300)	(9,253)
Net cash flows (used in) / from financing activities		**(26,952)**	**20,427**
Net decrease in cash and cash equivalents		(77,348)	(45,064)
Effect of movements in exchange rates on cash held		193	(254)
Cash and cash equivalents at 31 December		161,859	171,962
Cash and cash equivalents at 30 June		**84,704**	**126,644**

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

Note 1: Corporate information

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

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

The nature of operations and principal activities of 29Metals and its controlled entities (together, the '**Group**') during the Reporting Period were mining and mineral production, mineral concentrate sales, mineral exploration and development and ancillary services. 29Metals operates two long-life mines located in Western Australia (Golden Grove) and Queensland (Capricorn Copper), the latter of which is currently in suspension. In addition, the Group undertakes near-mine and regional exploration activities at its operating mines and at the Redhill exploration project, located in southern Chile.

The Half-Year Consolidated Financial Statements of the Group have been authorised for issue in accordance with a resolution of the Directors dated 27 August 2024.

Note 2: Basis of preparation

The Half-Year Consolidated Financial Statements for the Reporting Period are condensed general purpose financial statements prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

The Half-Year Consolidated Financial Statements do not include all the information and disclosures required in the Annual Consolidated Financial Statements, and should be read in conjunction with the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023 and any public announcements made by 29Metals during the Reporting Period and to the date of the Half-Year Consolidated Financial Statements in accordance with the continuous disclosure requirements of the ASX listing rules.

The Annual Consolidated Financial Statements of 29Metals and its controlled entities for the year ended 31 December 2023 are available from the Company's website (www.29metals.com) or upon request from the Company's registered office.

The Half-Year Consolidated Financial Statements:

- have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value through profit or loss; and
- are 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.*

The accounting policies and methods of computation adopted in the Half-Year Consolidated Financial Statements are consistent with those adopted and disclosed in the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023.

Going Concern

The Half-Year Consolidated Financial Statements for the half year ended 30 June 2024 have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and meet its debts as and when they become due and payable.

For the purposes of assessing the appropriateness of preparing the Consolidated Financial Statements for the half-year on a going concern basis, the Directors have had regard to the continuing significant financial impact of the Extreme Weather Event at Capricorn Copper in March 2023 and the subsequent suspension of operations at Capricorn Copper in March 2024 on the Group's financial results for the half-year ended 30 June 2024, reflected in the following:

- a Group loss after tax of $109,186,000 (2023: $306,667,000) including non-cash impairment of $30,000,000 to the Capricorn Copper CGU;
- net cash inflows from operating activities of $1,382,000 (2023: net cash outflow of $24,640,000), which includes operating costs associated with recovery and suspension activities at Capricorn Copper and insurance proceeds of $16,000,000 received in April and May 2024; and
- prior to 30 June 2024, the Group sought and obtained covenant relief under the Group corporate senior debt facility, in respect of the Net Total Leverage Ratio ('**NTLR**') covenant under the Group debt facilities for the 30 June 2024 calculation date (refer to Note 16).

The Group met its minimum cash balance covenant of US$25,000,000 at 30 June 2024 which, pursuant to waivers provided by the Group's lenders on other covenants, is the only financial covenant requirement at 30 June 2024 for both the senior debt and the Mezzanine Loan Note subscription agreement ('**Mezzanine Loan Note facility**') with Glencore Australia Holdings Pty Ltd ('**Glencore**') (refer to Note 16).

The Group has continued to take steps during the Reporting Period to manage its access to liquidity, including:

- on 10 June 2024, the Group entered into the Mezzanine Loan Note facility with Glencore for US$50,000,000. The Group drew down US$20,000,000 on 20 June 2024 (refer to Note 16); and
- the Group satisfied its annual clean-down requirement for its working capital facility between 19 March 2024 to 21 March 2024 and subsequently redrew US$40,000,000 of the working capital facility which remains outstanding at 30 June 2024 (refer to Note 16).

Note 2: Basis of preparation (continued)

Going Concern (continued)

Further information regarding the financial impacts of the Extreme Weather Event in March 2023, and the suspension of operations at Capricorn Copper announced in March 2024 is disclosed in Note 6 and Note 7, respectively.

The Group's current assets at 30 June 2024 amounted to $227,346,000 (31 December 2023: $306,660,000) and include cash and cash equivalents of $84,704,000 (31 December 2023: $161,859,000).

The Group's current liabilities at 30 June 2024 exceed current assets by $28,095,000 (31 December 2023: net current assets of $46,149,000). Current liabilities as at 30 June 2024 amounted to $255,441,000 (31 December 2023: $260,511,000) which includes current interest-bearing liabilities of $74,900,000 at 30 June 2024 (31 December 2023: $99,836,000). Included in the current interest-bearing liabilities at 30 June 2024 is the working capital facility of $60,468,000 (31 December 2023: $58,997,000) which is classified as a current liability as the working capital facility is repayable at the end of its interest period of one to three months. Any part of the working capital facility that is repaid can be reborrowed (subject to annual clean down requirements described above). The Group's working capital facility matures on the fifth anniversary after financial close (29 October 2026), after reducing to US$10,000,000 at the fourth anniversary of financial close (29 October 2025).

At 30 June 2024, the Group's available facility under the Mezzanine Loan Note facility amounted to US$30,000,000. At the date of this report, this remains undrawn on and continues to be available.

The senior facilities require compliance with minimum cash, NTLR and the Debt Service Cover Ratio ('**DSCR**') covenants. The minimum cash requirement requires the Group to maintain minimum cash and cash equivalents of US$30,000,000 at each reporting date of 30 June and 31 December in future periods. The NTLR is the ratio of total net debt for the senior facilities on the calculation date to EBITDA for the 12 months calculation period ending on that calculation date, with a covenant requirement of less than 2:1. The DSCR covenant is the ratio of cash flows available for debt service for the senior facilities on the calculation date to total debt service for the senior facilities for the 12 months calculation period ending on that calculation date, with a covenant requirement of greater than 1.2:1.

The Mezzanine Loan Note facility includes a covenant that the Group maintain minimum cash of US$30,000,000 at 30 June and 31 December each year in future periods (refer to note 16).

The key assumptions to achieve compliance with the minimum cash at 31 December 2024 and 30 June 2025, the NTLR at 31 December 2024 and 30 June 2025 and the DCSR at 30 June 2025 include:

- achieving planned production at Golden Grove and achieving forecast EBITDA;
- availability of US$30,000,000 under the Mezzanine Loan Note facility;
- receipt of further proceeds from the ongoing insurance claim related to the loss and damage suffered as a result of the Capricorn Copper Extreme Weather Event during the first half of 2023; and
- ongoing management of working capital in line with expectations.

Should the Company be unable to comply with the minimum cash, NTLR and DSCR covenant requirements for the dates stated above, and is unable to obtain covenant waivers from the Company's lenders, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business.

These Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

The Directors, in considering the appropriateness of the going concern basis for the preparation of the Consolidated Financial Statements, have reviewed the Group's cash flow forecasts prepared by Management which indicate the Group should have sufficient cash to continue as a going concern for the 12 months from the date of this report.

The Directors, at the date of signing, consider that the going concern basis of preparation for the Consolidated Financial Statements is appropriate on the basis of:

- the matters outlined above;
- refinancing options available to the Group in respect of the senior and subordinated liabilities (including the environmental bond) as well as ongoing engagement with the Group's lenders; and
- additional options available to enhance Group liquidity.

Note 3: Accounting policies

The accounting policies adopted in the preparation of the Half-Year Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in the Reporting Period but do not have an impact on the Half-Year Consolidated Financial Statements of the Group.

Amendments to AASB 101: Classification of Liabilities as Current or Non-current

The amendments to paragraphs 69 to 76 of AASB 101 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments include the following clarification:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period; and
- that classification is unaffected by the likelihood that an entity will exercise its deferral right.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's Half-Year Consolidated Financial Statements.

Supplier Finance Arrangements - Amendments to AASB 107 Statement of Cash Flows and AASB 7 Financial Instruments: Disclosures

The amendments to AASB 107 Statement of Cash Flows and AASB 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. The Group does not have any supplier finance arrangement in place at 30 June 2024. The amendments had no impact on the Half-Year Consolidated Financial Statements.

Note 4: 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[13].

A reconciliation of EBITDA to profit / (loss) after tax is shown in Note 4(b). EBITDA is a non-IFRS financial information metric used by the Group's chief operating decision makers ('**CODM**') as one of the primary measures for assessing financial performance, and believe it assists in providing additional meaningful information for stakeholders.

Segment revenues represent revenue from the sale of copper concentrate, zinc concentrate and lead concentrate (as applicable), which is net of related treatment and refining charges ('**TCRCs**'), and also includes shipping revenue. All segment revenues are from third parties. Segment assets and segment liabilities do not include intercompany balances.

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

[13] *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, asset impairment as a result of damage or loss from the Extreme Weather Event at Capricorn Copper, impairment expense relating to the Capricorn Copper CGU, write-down of inventory (excluding NRV inventory write downs), write-off of exploration and evaluation expenditure, income tax expense/(benefit) and depreciation and amortisation.

Note 4: Segment information (continued)

(a) Segment Results, Segment Assets and Segment Liabilities

Half-year ended 30 June 2024	Note	Golden Grove $'000	Capricorn Copper $'000	Exploration $'000	Unallocated operations and adjustments $'000	Total $'000
Revenue						
Copper concentrate		134,281	23,938	-	-	158,219
Zinc concentrate		63,368	-	-	-	63,368
Lead concentrate		14,046	-	-	-	14,046
Shipping revenue		8,284	-	-	-	8,284
Realised and unrealised fair value movements on receivables subject to QP adjustment		(153)	(739)	-	-	(892)
Total revenue	5(a)	**219,826**	**23,199**	**-**	**-**	**243,025**
Result						
EBITDA		33,800	(19,512)	(142)	(9,096)	5,050
Items reported to CODM not included in EBITDA						
Interest income		354	37	-	1,675	2,066
Interest expense		(214)	(1)	-	(9,633)	(9,848)
Depreciation and amortisation		(40,805)	(6,622)	-	(199)	(47,626)
Impairment expense relating to Capricorn Copper cash generating unit	15	-	(30,000)	-	-	(30,000)
Segment assets and liabilities						
Segment assets		549,927	246,912	15,618	76,163	888,620
Segment liabilities		(227,543)	(80,357)	(5)	(265,067)	(572,972)
Net assets		**322,384**	**166,555**	**15,613**	**(188,904)**	**315,648**
Other segment information						
Capital expenditure		29,489	25,681	370	10	55,550

Half-year ended 30 June 2023	Note	Golden Grove $'000	Capricorn Copper $'000	Exploration $'000	Unallocated operations and adjustments $'000	Total $'000
Revenue						
Copper concentrate		115,126	46,257	-	-	161,383
Zinc concentrate		44,241	-	-	-	44,241
Lead concentrate		27,792	-	-	-	27,792
Shipping revenue		6,015	-	-	-	6,015
Realised and unrealised fair value movements on receivables subject to QP adjustment		2,717	(7,119)	-	-	(4,402)
Total revenue	5(a)	**195,891**	**39,138**	**-**	**-**	**235,029**
Result						
EBITDA		11,712	(24,936)	(123)	(13,772)	(27,119)
Items reported to CODM not included in EBITDA						
Interest income		975	67	-	1,011	2,053
Interest expense		(285)	(1)	-	(9,701)	(9,987)
Depreciation and amortisation		(47,408)	(12,132)	-	(206)	(59,746)
Impairment expense relating to Capricorn Copper cash generating unit	15	-	(170,000)	-	-	(170,000)
Asset impairment as a result of damage or loss	6(a)	-	(27,000)	-	-	(27,000)
Other segment information						
Capital expenditure		27,146	10,735	1,786	65	39,732
As at 31 December 2023						
Segment assets and liabilities						
Segment assets		525,893	276,866	14,871	163,577	981,207
Segment liabilities		(189,710)	(104,319)	(71)	(264,763)	(558,863)
Net assets		**336,183**	**172,547**	**14,800**	**(101,186)**	**422,344**

Note 4: Segment information (continued)

(b) Reconciliation of EBITDA to Loss after Tax

Half-year ended 30 June	Note	2024 $'000	2023 $'000
EBITDA	4(a)	**5,050**	**(27,119)**
Depreciation and amortisation	4(a)	(47,626)	(59,746)
Impairment expense relating to Capricorn Copper CGU	15	(30,000)	(170,000)
Asset impairment resulting from damage or loss	6(a)	-	(27,000)
Inventories write-down (ROM ore stockpiles)	5(e)	(8,777)	-
Net loss on derivative financial instruments	5(c)	(7,832)	(5,323)
Net foreign exchange loss – unrealised	5(d)	(6,390)	(4,110)
Finance income	8	2,066	2,053
Interest expense and other costs of finance	8	(15,677)	(15,422)
Loss before tax		**(109,186)**	**(306,667)**
Income tax expense		-	-
Loss after tax		**(109,186)**	**(306,667)**

Note 5: Income and expenses

(a) Revenue

Half-year ended 30 June	Note	2024 $'000	2023 $'000
Revenue from sale of concentrate		**235,633**	**233,416**
Revenue from shipping services		8,284	6,015
Total revenue from contracts with customers	5(a)(i)	**243,917**	**239,431**
Realised and unrealised fair value movements on receivables subject to QP adjustment		(892)	(4,402)
Total Revenue		**243,025**	**235,029**
(i) Revenue from contracts with customers by type of product/service			
Copper concentrate		158,219	161,383
Zinc concentrate		63,368	44,241
Lead concentrate		14,046	27,792
Shipping revenue		8,284	6,015
		243,917	**239,431**

(b) Other income

Half-year ended 30 June	2024 $'000	2023 $'000
Other income from disposal of asset	729	-
Other	138	190
	867	**190**

Refer to Note 6 for insurance proceeds received, and Note 6 and Note 7 for proceeds from sale of gas.

(c) Net loss on derivative financial instruments

Half-year ended 30 June	2024 $'000	2023 $'000
Realised loss on derivative financial instruments	(3,041)	(1,356)
Unrealised loss on derivative financial instruments	(4,791)	(3,967)
	(7,832)	**(5,323)**

(d) Net foreign exchange loss

Half-year ended 30 June	2024 $'000	2023 $'000
Realised (loss)/gain on foreign exchange	(620)	3,487
Unrealised loss on foreign exchange	(6,390)	(4,110)
	(7,010)	**(623)**

(e) Other

For the Reporting Period, the write down of inventories to net realisable value amounted to $8,777,000, included in the financial impacts of suspension of operations at Capricorn Copper (refer to Note 7) relating to the write down of ROM ore stockpiles.

For the Prior Corresponding Period, the write down of inventories to net realisable value amounted to $8,957,000, comprising:

- $7,337,000 included in Cost of sales in the Consolidated Statement of Comprehensive Income relating to the write-down of Golden Grove ROM and concentrate inventories to net realisable value; and
- $1,620,000 included in the financial impacts of the Extreme Weather Event on Capricorn Copper in the Consolidated Statement of Comprehensive Income relating to the write-down of ROM inventories. Refer to Note 6 for further details.

Note 6: Impacts of Extreme Weather Event at Capricorn Copper

The Group's Capricorn Copper mine was subject to an Extreme Weather Event in March 2023, with more than 500mm of rainfall recorded over a five-day period, resulting in inundation and flooding at the site (including the Esperanza South sub-level cave underground mine ('**ESS**')), loss and damage of site infrastructure, and the suspension of mining and mineral processing operations from 7 March 2023.

A phased recovery plan was implemented, with a partial reinstatement of operations at the Mammoth and Greenstone mines and mineral processing operations (on a campaign basis) being achieved on 1 August 2023. The Group was targeting a full reinstatement, with recommencement of mining from ESS by mid-first half of 2024.

However, on 26 March 2024, the Group announced the suspension of operations at Capricorn Copper. Refer to Note 7 for further details.

During the Prior Corresponding Period, the Group commenced an insurance claim for the damage and loss of property, and associated business interruption, caused by the Extreme Weather Event. In August 2023 the Group's insurers confirmed indemnity for the damage and loss of property on surface and associated business interruption, and made an initial unallocated progress payment of $24,000,000. During the Reporting Period, a further $16,000,000 of insurance proceeds was received in April and May 2024. The loss adjustment process for the surface property and business interruption component of the insurance claim is ongoing. In parallel, 29Metals has not accepted the insurer's position on the underground component of the claim and work is being advanced to progress this component of the claim with insurers. Refer to Note 6(a) for insurance proceeds income. Refer to Note 20 Contingent asset for further details of the insurance claim relating to the Extreme Weather Event.

The impact of the Extreme Weather Event on the financial performance and position of the Group

Half-year ended 30 June	Note	2024	2023
		$'000	$'000
(a) Consolidated Statement of Comprehensive Income:			
Other income			
Insurance proceeds	6(a)(i)	16,000	-
Proceeds from sale of gas	6(a)(ii)	1,083	1,525
Total other income		**17,083**	**1,525**
Recovery expenses during recovery period		(6,223)	(30,649)
Inventories write down (ROM ore stockpiles)	5(e)	-	(1,620)
Depreciation and amortisation		-	(2,045)
Expenses before impairment of assets as a result of damage or loss		**(6,223)**	**(34,314)**
Asset impairment expense as a result of damage or loss:			
Inventories (consumables)		-	(7,442)
Mine properties	13	-	(8,381)
Property, plant and equipment	14	-	(11,177)
Total asset impairment expense as a result of damage or loss		**-**	**(27,000)**
Total expenses after impairment		**(6,223)**	**(61,314)**
Total expenses net of other income	6(a)(iii)	**10,860**	**(59,789)**

(i) Insurance proceeds: Compensation from third parties for business interruption and loss of items of property, plant and equipment is included in profit or loss when the compensation becomes receivable and is virtually certain. Refer to Note 20.

(ii) Revenue from the sale of gas, surplus to operational requirements, is recognised when gas is delivered to the customer.

(iii) Also refer to Note 15 for Impairment expense relating to the Capricorn Copper CGU of $170,000,000 for the half-year ended 30 June 2023.

Half-year ended 30 June	2024	2023
	$'000	$'000
(b) Consolidated Statement of Financial Position		
Additions to property, plant and equipment and development activities for Capricorn Copper from 1 January 2024 to 25 March 2024:		
Additions to property, plant and equipment	3,912	4,085
Additions to development activities	10,310	3,780

Note 7: Impacts of suspension of operations at Capricorn Copper

On 26 March 2024, the Group announced the suspension of operations at Capricorn Copper. The decision to suspend operations followed an extended period of rainfall between late January and mid-March 2024, as a result of the weather in the region following consecutive tropical cyclones, resulting in a steady accumulation of water in regulated structures on site to levels similar to the levels following the March 2023 Extreme Weather Event (refer to Note 6). With water at these levels, dewatering of ESS could not continue which, in turn, delayed the restart of mining at ESS as part of the phased recovery of Capricorn Copper.

The duration of the suspension will depend on factors including, the time required to reduce water levels held on site and securing the regulatory approvals required to set Capricorn Copper on a sustainable water balance footing (among other things).

The impact of suspension of operations at Capricorn Copper on the financial performance and position of the Group

Half-year ended 30 June	Note	2024	2023
		$'000	$'000
(a) Consolidated Statement of Comprehensive Income:			
Other income			
Proceeds from sale of gas	7(a)(i)	1,645	-
Total other income		**1,645**	**-**
Suspension and other site costs during suspension period		(21,673)	-
Inventories write down (ROM ore stockpiles)	5(e)	(8,777)	-
Depreciation and amortisation		(1,138)	-
Total expenses		**(31,588)**	**-**
Total expenses net of other income	7(a)(ii)	**(29,943)**	**-**

(i) Revenue from the sale of gas, surplus to operational requirements, is recognised when gas is delivered to the customer.

(ii) Also refer to Note 15 for Impairment expense relating to the Capricorn Copper CGU of $30,000,000 for the half-year ended 30 June 2024.

	30 June 2024	30 June 2023
	$'000	$'000
(b) Consolidated Statement of Financial Position		
Additions to property, plant and equipment for Capricorn Copper from suspension announcement on 26 March 2024 to 30 June 2024 are as follows:		
Additions to property, plant and equipment	10,928	-

Note 8: Net finance costs

Half-year ended 30 June	Note	2024 $'000	2023 $'000
Interest income		2,066	2,053
Finance income		**2,066**	**2,053**
Interest expense		(9,848)	(9,987)
Interest expense on lease liabilities		(2,147)	(1,844)
Unwinding of discount on provision for rehabilitation		(2,618)	(2,366)
Other		(1,064)	(1,225)
Interest expense and other costs of finance		**(15,677)**	**(15,422)**
Net finance costs		**(13,611)**	**(13,369)**

Note 9: Taxes

(a) Income tax expense

Half-year ended 30 June	2024 $'000	2023 $'000
Reconciliation of income tax expense to accounting loss:		
Accounting loss before income tax	(109,186)	(306,667)
Income tax benefit at the Australian tax rate of 30% (2023: 30%)	32,756	92,000
Decrease in income tax benefit due to:		
Non-deductible expenses	(369)	(294)
Adjustment in respect of income and deferred tax of prior year	-	(80)
Deferred tax assets not recognised	(32,387)	(91,626)
Income tax expense	**-**	**-**

(b) Deferred tax assets

	30 June 2024 $'000	31 December 2023 $'000
Movement in net deferred tax assets		
Opening balance	-	58,072
Debited to profit or loss	-	(58,072)
Closing balance	-	**-**

Deferred tax assets are recognised only if it is probable that future forecast taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to relevant tax legislation associated with their recoupment.

On this basis, the net deferred tax asset comprising temporary differences and tax losses of $202,945,000 at 30 June 2024 (excluding transferred tax losses relating to Capricorn Copper noted below) has not been recognised.

In addition, tax losses relating to Capricorn Copper of $186,612,000 ($55,983,000 tax effected) have not been recognised. Utilisation of the Capricorn Copper tax losses are subject to an available fraction.

Note 10: Earnings per share ('**EPS**')

(a) Basic loss per share

Half-year ended 30 June	2024	2023
Net loss after tax attributable to ordinary shareholders ($'000)	(109,186)	(306,667)
Weighted average number of ordinary shares	701,593,577	481,825,052
Basic loss per ordinary share (cents)	**(15.6)**	**(63.6)**

(b) Diluted loss per share

Half-year ended 30 June	2024	2023
Net loss after tax attributable to ordinary shareholders ($'000)	(109,186)	(306,667)
Weighted average number of ordinary shares	701,593,577	481,825,052
Diluted loss per ordinary share (cents)	**(15.6)**	**(63.6)**

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

Half-year ended 30 June	2024	2023
Weighted average number of ordinary shares (basic)	701,593,577	481,825,052

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

Half-year ended 30 June	2024	2023
Weighted average number of ordinary shares (basic)	701,593,577	481,825,052
Performance rights on issue at 30 June [14]	-	-
Weighted average number of ordinary shares (diluted)	701,593,577	481,825,052

Note 11: Dividends

Paid during the half-year ended 30 June 2024

There were no dividends paid to shareholders during the Reporting Period (2023: $nil).

Declared after 30 June 2024

There were no dividends declared after the Reporting Period up to date of this financial report.

Note 12: Exploration and evaluation expenditure

	Note	30 June 2024 $'000	31 December 2023 $'000
Balance at 1 January		28,863	33,169
Expenditure for the period		1,459	3,299
Transferred to mine properties	13	-	(2,074)
Write-off		-	(5,092)
Foreign currency exchange difference		439	(439)
Balance at the end of the period		**30,761**	**28,863**

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. 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.

...

[14] The potential ordinary shares are anti-dilutive and, on that basis, have not been included in the calculation of diluted loss per share.

Note 13: Mine properties

	Note	30 June 2024 $'000	31 December 2023 $'000
Net book value			
Balance at 1 January		405,750	578,001
Development expenditure incurred during the period		21,873	37,265
Transfers from property, plant and equipment	14	7,713	1,055
Transfers from exploration and evaluation assets	12	-	2,074
Movements in rehabilitation obligations		(469)	(400)
Asset impairment as a result of damage or loss	6(a)	-	(8,381)
Impairment expense relating to Capricorn Copper CGU	15	(21,752)	(135,997)
Amortisation during the period		(22,889)	(67,867)
Balance at the end of the period		**390,226**	**405,750**
Gross carrying amount – at cost		864,400	835,285
Accumulated amortisation and impairment		(474,174)	(429,535)
Net carrying amount		**390,226**	**405,750**

During the Reporting Period, 29Metals reported its 31 December 2023 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 2023 Mineral Resources and Ore Reserves estimates, including competent persons' statements and JORC Code table disclosures, were released to the ASX announcements platform on 23 February 2024 and are available on 29Metals' website at: https://www.29metals.com/assets/reserves-and-resources.

Changes to 29Metals' Mineral Resources and Ore Reserves estimates, as reported in the 31 December 2023 Mineral Resources and Ore Reserves estimates, do not have a material impact on the Group's life of mine plans, or depreciation and amortisation expense.

Note 14: Property, plant and equipment

	Note	Land and buildings $'000	Plant and machinery $'000	Capital work in progress $'000	Total $'000
As at 30 June 2024					
Gross carrying amount – at cost					
Balance at 1 January		**46,196**	**314,374**	**35,530**	**396,100**
Additions		-	8	32,209	32,217
Transfers		1,292	12,688	(13,980)	-
Transfers to Mine properties	13	-	-	(7,713)	(7,713)
Disposal		-	(1,069)	-	(1,069)
Balance at 30 June		**47,488**	**326,001**	**46,046**	**419,535**
Accumulated depreciation and impairment					
Balance at 1 January		(28,095)	(183,779)	(2,638)	(214,512)
Depreciation for the half-year		(1,846)	(10,305)	-	(12,151)
Disposal		-	935	-	935
Impairment expense relating to Capricorn Copper cash generating unit	15	(417)	(5,644)	(2,120)	(8,181)
Balance at 30 June		**(30,358)**	**(198,793)**	**(4,758)**	**(233,909)**
Net book value		**17,130**	**127,208**	**41,288**	**185,626**
As at 31 December 2023					
Gross carrying amount – at cost					
Balance at 1 January		46,167	297,035	21,423	364,625
Additions		-	5	46,686	46,691
Transfers		183	27,379	(27,562)	-
Transfers to Mine properties	13	-	-	(1,055)	(1,055)
Asset impairment resulting from damage or loss	6(a)	(154)	(10,045)	(3,962)	(14,161)
Balance at 31 December		**46,196**	**314,374**	**35,530**	**396,100**
Accumulated depreciation and impairment					
Balance at 1 January		(22,300)	(135,204)	-	(157,504)
Depreciation for the year		(2,707)	(24,960)	-	(27,667)
Asset impairment resulting from damage or loss	6(a)	83	2,901	-	2,984
Impairment expense relating to Capricorn Copper CGU	15	(3,171)	(26,516)	(2,638)	(32,325)
Balance at 31 December		(28,095)	(183,779)	(2,638)	(214,512)
Net book value		**18,101**	**130,595**	**32,892**	**181,588**

Note 15: Impairment of non-current assets

In accordance with the Group's accounting policies, each asset or, where appropriate, CGU, is evaluated to determine whether there are any indicators of impairment. If any such indicators of impairment exist, a formal estimate of the recoverable amount of each CGU is undertaken. In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount.

The recoverable amount is the higher of the asset or CGU's:

- fair value less costs of disposal ('**FVLCD**'); and
- value in use ('**VIU**').

Recoverable amount has been determined based on FVLCD.

In the absence of a quoted price, the FVLCD for each CGU is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs using market-based metal price assumptions, the level of *Proved* and *Probable* Ore Reserves and *Measured*, *Indicated* and *Inferred* Mineral Resources included in the current mine plan, estimated quantities of recoverable metal, production levels, operating costs and capital requirements (including any expansion projects), and the CGU's eventual disposal, based on the CGU's latest life of mine ('**LOM**') plans. These cash flows are discounted using a real post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. When LOM plans do not fully utilise existing mineral properties for a CGU, and options exist for the future extraction and processing of all or part of those unmined resources, an estimate of the value of mineral properties is included in the determination of fair value.

The determination of FVLCD for each CGU is considered to be a Level 3 fair value measurement, as the determination is derived from valuation techniques that include significant inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Impairment indicator testing

At 30 June 2024, the following indicators of impairment existed:

- 29Metal's quoted market capitalisation was lower than the carrying value of its consolidated net assets; and
- the suspension of operations at Capricorn Copper, announced in March 2024. Refer to Note 7 for further details.

These factors are considered indicators of impairment. As a result, an impairment test was performed to determine the recoverable amounts for all CGUs of the Group, being the Golden Grove CGU and the Capricorn Copper CGU using the FVLCD method.

Golden Grove CGU

Golden Grove indicator assessment

As a result of the general indicator of impairment noted above, a formal impairment test was performed to determine the recoverable amount of the Golden Grove CGU.

Key Assumptions

The table below summarises the key assumptions used in the carrying value assessment:

		30 June 2024	30 June 2023
Copper price (long term)	US$/t	8,995	8,097
Zinc price (long term)	US$/t	2,557	2,605
AUD:USD exchange rate long term	AUD:USD	0.70	0.70
Discount rate (post tax real)	%	9.0	9.0
Fair value of resources not included in LOM	$'000	154,000	90,000
Average mining costs over LOM per annum (real)	$'000	192,013	192,613
Average processing and maintenance costs over LOM per annum (real)	$'000	69,819	69,244

Metal prices and Foreign Exchange

Metal prices and foreign exchange rates are estimated with reference to a consensus of external market forecasts.

Discount rate

The discount rate represents the current market assessment of the risks specific to the Golden Grove CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on what a market participant would be expected to use taking into account the specific circumstances of the Golden Grove CGU and is derived using its weighted average cost of capital.

Note 15: Impairment of non-current assets (continued)

Golden Grove CGU (continued)

Key Assumptions (continued)

Valuation of Mineral Resources not included in the LOM

Mineral Resources which are not included in a CGU's LOM plan as a result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment, have been valued and included in the assessed fair value. The fair value of these resources has been determined based on the observable market value of assets considered similar to the Mineral Resources not included in the current LOM plan.

Operating and capital costs

LOM operating and capital cost assumptions are based on the Group's latest budget and LOM plans.

Result of impairment test and Sensitivity Analysis

As a result of the analysis performed, an impairment loss was not recognised for the Golden Grove CGU for the Reporting Period. Sensitivity disclosures for a reasonable possible change in key assumptions and their resultant impact on the impairment assessment for the Golden Grove CGU have not been included in this Note 15 as a reasonable possible change in each of the key assumptions (in isolation) would not result in an impairment loss.

Capricorn Copper CGU

Capricorn Copper indicator assessment

As a result of the impact of the Extreme Weather Event at Capricorn Copper in March 2023, and suspension of operations from March 2024 at the Capricorn Copper mine (Refer to Note 6 and Note 7), and the general indicator of impairment noted above, a formal impairment test was performed to determine the recoverable amount of the Capricorn Copper CGU.

Key Assumptions

The table below summarises the key assumptions used in the carrying value assessment.

		30 June 2024	30 June 2023
Copper price (long term)	US$/t	8,995	8,097
AUD:USD exchange rate long term	AUD:USD	0.70	0.70
Discount rate (post tax real)	%	9.0	9.0
Fair value of resources not included in LOM	$'000	85,000	50,000
Timing of restart of operations		Second half 2026	N/a
Average capital costs over LOM per annum (real)	$'000	28,044	28,346
Average mining costs over LOM per annum (real)	$'000	101,915	97,470
Average processing and maintenance costs over LOM per annum (real)	$'000	66,298	55,064

Note 15: Impairment of non-current assets (continued)

Capricorn Copper CGU (continued)

Key Assumptions (continued)

Metal prices and Foreign Exchange

Metal prices and foreign exchange rates are estimated with reference to a consensus of external market forecasts.

Discount rate

The discount rate represents the current market assessment of the risks specific to the Capricorn Copper CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on what a market participant would be expected to use taking into account the specific circumstances of the Capricorn Copper CGU and is derived using its weighted average cost of capital.

Valuation of Mineral Resources not included in the LOM

Mineral Resources which are not included in a CGU's LOM plan as a result of the current assessment of economic returns, timing of specific production alternatives and the prevailing economic environment, have been valued and included in the assessed fair value. The fair value of these resources has been determined based on the observable market value of assets considered similar to the Mineral Resources not included in the current LOM plan.

Timing of restart of operations

The discounted cash flow analysis assumes that operations at Capricorn Copper are restarted in the second half of 2026. The actual decision and timing to restart operations at Capricorn Copper is dependent on a range of factors including:

- reducing water inventory held on site, including completing the dewatering of ESS and implementing further measures to enhance the resilience of the site to future weather events;
- establishing long term tailings storage capacity;
- completing the design, procurement and installation of the new water treatment plant, providing a reliable and sustainable source of water suitable for mining and milling operations; and
- identifying and implementing opportunities to enhance productivity and reduce costs.

Operating and capital costs

LOM operating and capital cost assumptions are based on the Group's latest budget and LOM plans.

Ongoing insurance claim

As described further in Note 20, 29Metals has an ongoing insurance claim in relation to property damage and business interruption as a result of the Extreme Weather Event at Capricorn Copper in March 2023. For the purposes of the CGU impairment assessment, 29Metals has applied Management's best estimate assumptions regarding future insurance claim proceeds (which assumptions are highly commercially sensitive) and applied sensitivities as set out below.

Result of impairment test

As a result of the analysis performed, an impairment loss of $30,000,000 was recorded for the Reporting Period (2023: $170,000,000) allocated to Capricorn Copper CGU, as summarised in the table below.

		2024	2023
Half-year ended 30 June	Note	$'000	$'000
Mine properties	13	21,752	135,997
Property, plant and equipment	14	8,181	32,325
Right-of-use assets		67	1,678
Total Capricorn Copper impairment		**30,000**	**170,000**

Note 15: Impairment of non-current assets (continued)

Capricorn Copper CGU (continued)

Key Assumptions (continued)

Capricorn Copper Sensitivity Analysis

A sensitivity analysis of the FVLCD for Capricorn Copper CGU to changes in key assumptions, in isolation, at 30 June 2024 is set out below.

	Increase in key assumption Reduction/(Increase) [1]	Decrease in key assumption Reduction/(Increase) [1]
	$'000	$'000
5% change in copper price	81,043	(81,186)
5% change in the AUD:USD foreign exchange rate	(79,581)	87,752
1% change in discount rate	(20,186)	22,702
5% change in Fair value of resources not included in LOM	4,250	(4,250)
Timing of restart of operations - delay of twelve months	n/a	(45,778)
10% change in capital costs	(13,844)	13,701
5% change in mining costs	(31,687)	31,545
5% change in processing and maintenance costs	(16,475)	16,333
$10,000,000 change in modelled future insurance proceeds (Refer to Note 20) [2]	8,733	(8,590)

1. Reduction/(Increase) cited is reduction in impairment loss or (increase) in impairment loss (as applicable).
2. Modelled future insurance proceeds relate to coverage for property damage only.

Note 16: Interest-bearing liabilities

	Note	30 June 2024 $'000	31 December 2023 $'000
Current			
Insurance premium funding	16(i)	-	5,007
Working capital facility	16(ii)	60,468	58,997
Term loan	16(ii)	14,351	35,832
Mezzanine Loan Note facility	16(iii)	81	-
Total current borrowings		**74,900**	**99,836**
Non-current			
Term loan	16(ii)	114,008	117,375
Mezzanine Loan Note facility	16(iii)	27,888	-
Total non-current borrowings		**141,896**	**117,375**
Total borrowings		**216,796**	**217,211**

(i) Insurance premium funding

The insurance premium funding for certain insurance was for a period of ten months and matured in June 2024.

(ii) Syndicated Facility

In October 2021, the Group entered into corporate debt facilities, including a US$150,000,000 term loan and a US$40,000,000 working capital facility. During the Reporting Period, the Group repaid US$20,000,000 principal of the term loan. During the year ended 31 December 2023, the Group repaid US$32,000,000 principal of the term loan.

On 23 May 2023, the Group drew down on the working capital facility. The working capital facility is repayable at the end of its interest period. Any part of the working capital facility that is repaid can be reborrowed, subject to an annual clean-down requirement for a continuous period of three consecutive business days in the prior 12 months tested on each anniversary of financial close (29 October 2021). The working capital facility reduces to US$10,000,000 at the fourth anniversary of the Financial Close.

The Group repaid its working capital facility on 19 March 2024 and satisfied its annual clean-down requirement between 19 March 2024 to 21 March 2024 and subsequently redrew US$40,000,000 on the working capital facility, which remains outstanding at 30 June 2024.

Amendment Deed: Syndicated Facility Agreement ('Amended SFA')

On 28 June 2023, in the context of the impact of the Extreme Weather Event at Capricorn Copper, the Group and its lenders agreed to amend the Syndicated Facility Agreement dated 20 October 2021. The amendments:

- extended the maturity date of the Group's environmental bank guarantee facility by one year to 29 October 2024 (facility was due to expire in October 2023); and
- provided relief against certain covenants under the Group debt facilities for the 30 June 2023 calculation date.

Further, on 29 August 2023, the Group and its lenders agreed to further amendments to the Syndicated Facility Agreement dated 20 October 2021. The amendments:

- provided further relief against certain covenants under the Group debt facilities for the 31 December 2023, 30 June 2024 and 31 December 2024 calculation dates; and
- varied the quarterly repayment instalments by increasing the total repayments for the quarters ended 30 September 2023 to 30 June 2025 to US$50,000,000 from US$45,000,000, with the last repayment on 30 September 2026 reducing from US$50,000,000 to US$45,000,000.

On 26 June 2024, the Group's senior lenders provided a covenant waiver for the NTLR for the 30 June 2024 calculation date. The next covenant calculation dates are from 31 December 2024 for the NTLR and 30 June 2025 for the Debt Service Cover Ratio ('**DSCR**').

The Group met its minimum cash balance covenant of US$25,000,000 at 30 June 2024.

Refer to Note 2 Basis of preparation for information regarding the Group's assumptions in respect of its compliance with covenants under the Group's Syndicated Facility Agreement over the coming 12 months and going concern assessment.

Note 16: Interest-bearing liabilities (continued)

(iii) Mezzanine Loan Note facility

On 10 June 2024, the Group entered into the Mezzanine Loan Note facility of US$50,000,000, repayable in seven equal monthly repayments on the first business day of each calendar month with the first such repayment to occur on 1 April 2028 and the last repayment on the termination date of 1 October 2028. The Mezzanine Loan Note facility ranks second to the Syndicated Facility. On 20 June 2024, the Group drew US$20,000,000 of the Mezzanine Loan Note facility.

Interest is calculated based on the Secured Overnight Financing Rate plus a margin. Interest is payable every three months subject to the subordinated DSCR calculated at the Intercreditor Test Date being three business days before interest is payable. If the subordinated DSCR is less than 1.2:1, interest is not payable and is capitalised on the loan until the subordinated DSCR is reached. At 30 June 2024, the DSCR for the relevant period had not been reached and interest was capitalised on the loan.

The Mezzanine Loan Note facility is subject to a minimum cash financial covenant of Group cash and cash equivalents of US$25,000,000 at 30 June 2024 and thereafter, US$30,000,000 tested semi-annually at 31 December and 30 June. This covenant was met at 30 June 2024.

Terms and conditions of outstanding Group Facilities

Facilities as at 30 June 2024

		Total Facility	Used	Unused	Total Facility	Used	Unused
	Note	US$'000	US$'000	US$'000	$'000	$'000	$'000
USD Facilities							
Term loan	(i)	86,000	86,000	N/a	129,222	129,222	N/a
Working capital facility	(ii)	40,000	40,000	-	60,468	60,468	-
Mezzanine Loan Note facility	(v)	50,000	20,000	30,000	75,193	30,193	45,000
AUD Facilities							
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	325	12	313
					325,208	**279,223**	**45,985**

(i) The term loan has fixed quarterly repayments commencing 30 September 2022 with the final repayment due on 30 September 2026. The total used facility at 30 June 2024 is at amortised cost and before unamortised capitalised borrowings costs at 30 June 2024.

(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, requiring the Group to ensure that for a period of three consecutive Business Days in each 12-month period following Financial Close (29 October 2021), there is no working capital facility amount outstanding. The maturity date of this facility is 29 October 2026. The working capital facility is US$40,000,000 until the fourth anniversary of financial close being 29 October 2025 when the facility is reduced to US$10,000,000.

(iii) On 28 June 2023, the maturity date of the environmental bank guarantee facility was extended by one year to 29 October 2024.

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

(v) The maturity date is 1 October 2028. The total used facility at 30 June 2024 is before unamortised capitalised borrowings costs and interest accrual at 30 June 2024.

Note 17: Financial instruments

Fair value measurement

The categories of financial assets and liabilities measured at fair value for the Group are trade receivables subject to QP adjustment, and gold forward contracts. These fair value measurements were classified as Level 2 on the fair value hierarchy. The fair value of gold swaps forward contracts is determined based on quoted market prices for gold adjusted for specific settlement terms. The fair value of the trade receivables is determined using a discounted cash flow model.

	30 June 2024	31 December 2023
	$'000	$'000
Assets measured at fair value – Level 2		
Trade receivables	22,422	18,490
Liabilities measured at fair value – Level 2		
Derivative financial liabilities	15,445	11,033

There were no new derivatives during the current Reporting Period or the Prior Corresponding Period.

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 Reporting Period or the Prior Corresponding Period.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximate their respective fair values, determined in accordance with the accounting policies disclosed in the Group's Annual Consolidated Financial Statements for the year ended 31 December 2023. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the Reporting Period or the Prior Corresponding Period.

Note 18: Share-based payments

(a) Performance rights awarded during the half-year ended 30 June 2024

During the Reporting Period, 29Metals awarded the following performance rights:

(i) One-time incentive award to the new CEO on 15 May 2024

One-time award of deferred equity, in the form of 1,000,000 performance rights, was awarded to the new CEO on 24 May 2024 under the 29Metals Equity Incentive Plan Rules. Performance rights awarded under the one-off award are subject to an 18-month vesting period, commencing on the date of commencement as CEO being 1 May 2024, and vesting will be conditional upon the CEO remaining an employee of the 29Metals Group until expiry of the vesting period. The fair value of the performance rights was measured at the grant date of 5 March 2024, being the date of the Executive Services Agreement.

(ii) 2024 long term incentive award ('2024 LTI award')

Award date	
24 May 2024	29Metals granted 8,405,599 performance rights, via new award or transfer, to employees of the Group, including to key management personnel

The performance period, vesting date and performance conditions for the 2024 LTI award are as follows:

Vesting date	31 December 2026
Performance period	Period commencing 1 January 2024 and ending 31 December 2026
Performance conditions and weighting	▪ Continued service through to vesting date ▪ 29Metals' relative total shareholder return assessed over the Performance Period (weighting: 80%) ▪ 29Metals' absolute total shareholder return assessed over 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.

Note 18: Share-based payments (continued)

(b) Recognised share-based payment expenses

During the Reporting Period, the following was recognised in administration expenses in the Consolidated Statement of Comprehensive Income.

	30 June 2024	30 June 2023
Half-year ended 30 June	$'000	$'000
Performance rights	1,700	1,187
Non-executive Directors Salary Sacrifice Share Plan	191	243
	1,891	**1,430**

Note 19: Contingent liabilities

(a) Bank Guarantees

The Group has provided an environmental bond in relation to Capricorn Copper operations as required under relevant Queensland legislation. The environmental bond has been posted by way of three bank guarantees issued by lenders under the Group's corporate debt facilities, with an aggregate bank guarantee amount of $57,464,000 (31 December 2023: $57,464,000). The bank guarantees provided under the Group's corporate debt facilities are subject to periodic renewal, with the next renewal required on or before 29 October 2024.

In addition, the Group has provided bank guarantees totalling $1,864,000 to suppliers and for rental premises (31 December 2023: $1,940,000).

(b) Other Contingent Liabilities

29Metals is a co-plaintiff in legal proceedings in the Supreme Court of Victoria in relation to a historic transaction between Copper (QLD) Investment Pte. Ltd. (previously: 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 Copper (QLD) Investment Pte. Ltd. indemnifies 29Metals (the '**Indemnity Deed**'). Under the terms of the Indemnity Deed, 29Metals retained $12,500,000 of Copper (QLD) Investment Pte. Ltd.'s share of IPO proceeds to cash-back the indemnity. As at 30 June 2024 and 31 December 2023, the balance of funds retained by 29Metals is $12,500,000 (excluding interest accrued).

During the Reporting Period, 29Metals' controlled entity, Capricorn Copper Pty Ltd, received a writ and summons from the Queensland Department of Environment, Science and Innovation ('**DESI**') for enforcement proceedings. The writ and summons follows the investigation conducted by the DESI and relates to alleged failure to meet the regulated water level in the EPit, and other matters which relate to non-compliances during and following the Extreme Weather Event at the Capricorn Copper mine in March 2023. The enforcement proceedings are in the preliminary stages and are ongoing. It is too early to determine the prospects and potential outcomes of the enforcement proceedings.

Group companies are, or may be (from time to time), 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 20: Contingent asset

During the year ended 31 December 2023, the Group commenced an insurance claim for the damage and loss of property, and associated business interruption, caused by the March 2023 Extreme Weather Event at Capricorn Copper.

In August 2023, Group's insurers responded to the Group's preliminary claim assessment and basis of claim submission. In their response, the insurers:

- confirmed indemnity for damage to property on the surface and associated business interruption;
- agreed to make an initial unallocated progress payment of $24,000,000 in respect of damage and loss of surface property and associated business interruption; and
- based on the submission and information provided to-date, in relation to underground loss and damage advised that the policy does not respond and requested further information.

Further interim unallocated proceeds of $16,000,000 have been received by the Group during the half-year ended 30 June 2024 (refer to Note 6). The Group continues to engage with insurers regarding the balance of the claim, including the component of the claim relating to underground loss and damage. Pending further progress of the insurance claim process, it is not practicable for the Group to estimate the future potential financial effect and timing of insurance claim outcomes.

Note 21: 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 $3,666,000 (31 December 2023: $3,493,000) 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 $14,828,000 as at 30 June 2024 (31 December 2023: $22,418,000). This amount is before any future on-sale of gas surplus to the needs of the Capricorn Copper mine which commenced during the recovery period and is continuing at the date of this report.

On 26 July 2024, the power supply agreement with Diamantina Power Station Pty Limited was varied from 12 MW to 5 MW effective 1 July 2024 and the end date of the agreement was extended for 5 years to 31 December 2029 from 31 December 2024. Under the contract, Diamantina Power Station Pty Limited must use reasonable endeavours to make additional power available within 6 months of receiving a written request from Capricorn Copper Pty Ltd.

Note 22: Subsequent events

Refer to Note 21 for the variation of contract capacity and the extension of the power supply agreement with Diamantina Power Station subsequent to the end of the Reporting Period.

Other than as stated above, 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 in the opinion of the Directors:

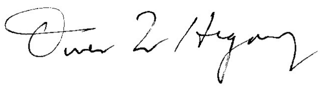
(a) the Half-Year Consolidated Financial Statements and notes are in accordance with the *Corporations Act 2001 (Cth)*, and:

 (i) give a true and fair view of the financial position of the Group as at 30 June 2024 and of the performance of the Group for the six months ended on that date; and

 (ii) comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

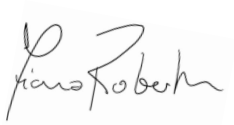
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors on 27 August 2024.



OWEN HEGARTY OAM

Chair of the Board of Directors
Non-executive Director



FIONA ROBERTSON AM

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

Independent Auditor's Review Report

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Independent auditor's review report to the members of 29Metals Limited

Conclusion

We have reviewed the accompanying condensed half-year financial report of 29Metals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Review Report

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Sarang Halai
Partner
Perth
27 August 2024