

June 2023

# Quarterly Report

29Metals Limited ('29Metals' or, the 'Company') today reported results for the June 2023 quarter ('Jun-Qtr'). Currency amounts in this report are in Australian dollars unless otherwise stated.

## Key points:

### Safety

- Group total recordable injury frequency rate ('TRIFR')<sup>1</sup> 9.0 (Mar-Qtr: 8.1) at quarter end.
- Group lost time injury frequency rate ('LTIFR')<sup>1</sup> 1.7 (Mar-Qtr: 1.6) at quarter end.

### Golden Grove

- Copper and zinc production of 4.2kt (Mar-Qtr: 3.2kt) and 13.4kt (Mar-Qtr: 8.7kt) for the quarter, respectively.
- C1 Costs<sup>2</sup> of US\$4.46/lb copper sold (Mar-Qtr: US\$1.91/lb copper sold) for the quarter and US\$3.21/lb year-to-date CY2023. Stockpile movements and materially lower by-product credit contributions were drivers of elevated quarter-on-quarter unit costs.
- Booster fans project to increase air flows into Xantho Extended substantially progressed. Commissioning during Sep-Qtr will conclude major debottlenecking projects works to unlock progressively higher mining rates from Xantho Extended.
- The constraint on milling rates applied in the Mar-Qtr to manage available tailings capacity was lifted during the quarter, following the previously reported approval of the lift of tailings storage facility ('TSF') 3.
- Progress on TSF 3 lift approval and Xantho Extended de-bottlenecking during the quarter are expected to be key drivers of higher copper and zinc production, and lower unit costs of production in H2-CY2023 versus H1-CY2023.
- Copper and zinc production are tracking within full year 2023 guidance, albeit at the lower end of the range. Gold and silver production guidance lowered to 15-17koz and 750-850koz, respectively (previously 20-23koz and 950-1,050koz).

### Capricorn Copper

- Capricorn Copper operations remained suspended during the quarter due to impact from the extreme weather event in early March 2023.
- Timing of Capricorn Copper phased production restart remains on track, with initial restart from Mammoth and Greenstone ore from mid-August 2023, and recommencement of mining from Esperanza South from mid-H1 2024.
- Total Capricorn Copper Recovery and other expenditures during the quarter of \$28m, in line with expectation.
- Water reduction and management initiatives well progressed, including preparation of the interim water treatment solution and increasing mechanical evaporation capacity on-site. Water reduction to date is in line with expectations.
- Tailings storage capacity options to transition to planned new life-of-mine tailings storage facility continue to be assessed.

### Corporate/Other

- US\$40m working capital facility was fully drawn during the quarter.
- Covenant relief was secured from 29Metals' lenders during the quarter in relation to the Company's loan facilities at 30 Jun 2023, with consideration of impact of the extreme weather event at Capricorn Copper.
- Positive engagement with insurers regarding property damage and business interruption as a result of the impact of the extreme weather event at Capricorn Copper is ongoing.
- Unaudited available cash at 30 June 2023 of \$127 million.

### Commenting on the Jun-Qtr, Managing Director & CEO, Peter Albert, said:

*"Major progress was made during the June quarter to position both of our assets for positive rest of year outcomes.*

*At Golden Grove, the previously reported TSF 3 approvals and progress on major Xantho Extended debottlenecking projects will be key production growth enablers for the balance of 2023 and beyond.*

*Activities at Capricorn Copper for phase 1 of the production restart progressed as planned during the quarter. The team look forward to delivering the recovery plan and once again turning our attention to realising the upside potential of this asset, which was highlighted by the excellent drill results reported during the quarter that showcased the potential for new discoveries and significant extensions to existing Mineral Resources estimates at Capricorn Copper."*

<sup>1</sup> TRIFR (total recordable injury frequency rate) and LTIFR (lost time injury frequency rate) metrics are reported as the 12-month moving average at the end of each quarter, reported on a per million work hours ('mwhrs') basis.

<sup>2</sup> See Appendix 2 for cost categories included in C1 Costs.

## Sustainability & ESG

In addition to Sustainability & ESG activities to advance the Capricorn Copper Recovery program, during the Jun-Qtr, 29Metals focused on continuing work on leading health and safety indicators, environmental approvals processes and stakeholder engagement.

During the quarter, 29Metals also published its 2022 Sustainability & ESG Report. The Report outlined 29Metals' 2022 Sustainability & ESG performance and 2023 priorities. A copy of the standalone version of 29Metals' 2022 Sustainability & ESG Report is available on 29Metals' website at: <https://www.29metals.com/sustainability>. Progress tracking against the 2023 Sustainability & ESG priorities is included in Appendix 3.

### Safe and inclusive workplace

Group TRIFR increased marginally during the quarter to 9.0 (Mar-Qtr: 8.1), with five recordable injuries for the period. One LTI for the period resulted in an increase in Group LTIFR to 1.7 (Mar-Qtr: 1.6).

Key *Safe and inclusive workplace* activities during the quarter included:

- ongoing roll out of our updated Group Critical Control Framework, including frontline training
- continuing implementation of the *Mine Safety Management System* at Golden Grove for the purposes of the updated regulatory requirements in Western Australia
- as part of 29Metals' commitment to mental health, a mental health specialist was deployed to Capricorn Copper to provide further support to the site team as it worked through the impact of the extreme weather event in March and the recovery plan. Mental health "first aider" training is planned at both sites for later in the year
- submission of 29Metals' annual *Workplace Gender Equality* (12-months ended 31 March 2023). Reporting results are available via the Workplace Gender Equality Agency website at: [www.wgea.gov.au](http://www.wgea.gov.au).

### Responsible environmental stewardship

Key activities during the June-Qtr included:

#### *Capricorn Copper*

- engagement with the Queensland Department of Environment and Science regarding the Capricorn Copper Recovery Plan regarding regulatory relief to support the Recovery, with further engagement scheduled during the Sep-Qtr
- regulator site visits to inspect the impact of the extreme weather event
- planning for reinstatement of environmental monitoring equipment damaged by the extreme weather event
- implementation of plans to increase water recycling at the site as part of the Capricorn Copper Recovery plan

#### *Golden Grove*

- as previously reported, final approvals for the lift of TSF 3 were confirmed in the quarter

At both sites, work continued during the quarter to improve internal systems and processes relating to environmental compliance and performance improvement, and to update 29Metals' planning and approach to environmental approvals.

### Partnering with stakeholders

Key activities during the Jun-Qtr included:

- completion of a cultural heritage survey for the Gossan Valley project area at Golden Grove
- welcome to country and smoking ceremony conducted at Capricorn Copper by the representatives of the Kalkadoon people as part of 29Metals' activities to recognise *Reconciliation Week*
- meeting with the *Community Consultation Committee* at Capricorn Copper to provide a briefing regarding the Recovery plan and to listen to community priorities for water management and tailings storage.

During the quarter, work also continued on the development of "Community" performance standards – covering stakeholder engagement, local content and cultural heritage – as part of the Group HSEC Performance Standards.



Figure 1: Our Approach to Sustainability & ESG

## Golden Grove

Table 1: Golden Grove Summary

	Unit	Mar-Qtr-2023	Jun-Qtr-2023	2023 YTD	2023 Guidance <sup>1</sup>
TRIFR		9.4	9.9	9.9	N/a
LTIFR		1.0	1.6	1.6	N/a
<b>Copper produced</b>	<b>kt</b>	<b>3.2</b>	<b>4.2</b>	<b>7.4</b>	<b>17 – 20</b>
Zinc produced	Kt	8.7	13.4	22.1	54 – 61
Gold produced	koz	3.0	3.3	6.3	15 – 17 <sup>2</sup>
Silver produced	koz	172	219	391	750 – 850 <sup>2</sup>
<b>Payable copper sold</b>	<b>Mlbs</b>	<b>8.0</b>	<b>8.2</b>	<b>16.2</b>	<b>N/a</b>
Site Costs <sup>3</sup>	\$m	82	78	160	311 – 354
C1 Costs <sup>4</sup>	\$m	22	55	77	N/a
<b>C1 Costs</b>	<b>US\$/lb Cu sold</b>	<b>1.91</b>	<b>4.46</b>	<b>3.21</b>	<b>N/a</b>
Total capital	\$m	13	13	26	68 – 82
AISC	\$m	36	69	105	N/a
<b>AISC</b>	<b>US\$/lb Cu sold</b>	<b>3.10</b>	<b>5.64</b>	<b>4.39</b>	<b>N/a</b>

<sup>1</sup> 2023 guidance for Golden Grove as set out in the quarterly report for the Dec-Qtr 2022 released to the ASX announcements platform on 24 January 2023 (a copy of which is available on 29Metals' website at: <https://www.29metals.com/investors/reports-presentations>), with CY2023 gold and silver guidance lowered within this quarterly (Jun-Qtr-23) report. Refer to important information on page 9 regarding forward looking information in this report.

<sup>2</sup> Gold and silver production guidance lowered to 15-17koz and 750-850koz, respectively (previously: gold 20-23koz; silver 950-1,050koz).

<sup>3</sup> Site Costs is the sum of mining costs (excl. capitalised development), processing costs, and G&A costs.

<sup>4</sup> C1 Costs is the sum of Site Costs, concentrate transport, TCRC's, stockpile movements, and by-product credits.

### Production

Total ore mined during the quarter at Golden Grove was 351kt (Mar-Qtr: 355kt). At Xantho Extended, Golden Grove's highest grade ore source, ore mined and development advance for the quarter was 76kt (Mar-Qtr: 44kt) and 570 meters (Mar-Qtr: 410 meters) respectively.

Remediation works for damage identified in the Gossan Hill portal late Mar-Qtr and associated follow-up works post quarter end had minor impacts on Xantho Extended development activity and on the booster fan upgrade project schedule.

With significant progress made during the quarter, completion of installation and commissioning of the booster fans project to increase air flows into Xantho Extended is expected mid-Sep-Qtr (previously end Jun-Qtr). This ventilation upgrade, combined with already completed debottlenecking projects, is expected to progressively enable higher mining rates from Xantho Extended over the next 2 years. Progressive increase in mining rates from Xantho Extended is a key driver of near-term metal production growth. Other previously completed debottlenecking projects include: a power upgrade; paste plant; and AutoMine® remote mining control system implementation.

The constraint on milling rates from the beginning of CY2023 to manage available tailings capacity was lifted during the quarter, enabled by approval for a lift of TSF 3 in early May 2023. This was a key driver of higher quarter-on-quarter milled tonnes (Jun-Qtr: 387kt vs Mar-Qtr: 315kt) and is expected to drive higher H2 versus H1 milled tonnes for CY2023.

With the lift of TSF 3 approved, Golden Grove now has approximately 2 years of tailings capacity. Focus now turns to final design and approvals for a life-of-mine facility (TSF 4), which is expected to de-risk future tailings capacity and deliver materially lower tailings operating costs per tonne.

Copper production for the quarter was 4.2kt (Mar-Qtr: 3.2kt). Higher quarter-on-quarter copper production was driven by higher milling rates and higher recovery (Jun-Qtr: 87% vs Mar-Qtr: 85%). Copper grades milled were consistent with prior quarter of 1.2% (Mar-Qtr: 1.2%).



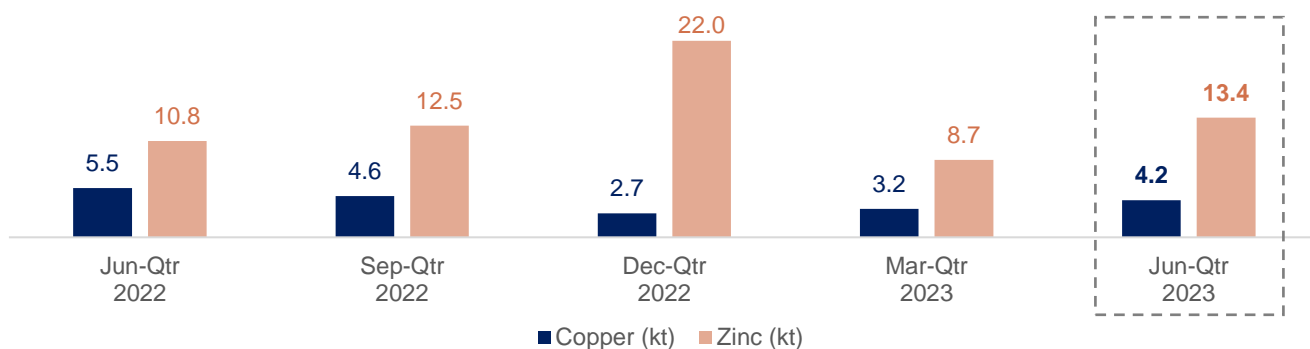
Figure 2: Booster fan chamber construction

Zinc production for the quarter was 13.4kt (Mar-Qtr: 8.7kt). Higher quarter-on-quarter zinc production was driven by higher milling rates, higher zinc grades processed (Jun-Qtr: 3.9% vs Mar-Qtr: 3.4%) and higher recovery (Jun-Qtr: 88% vs Mar-Qtr: 82%).

Copper and zinc production are tracking within full year 2023 guidance, albeit at the lower end of the range. Copper and zinc production will be weighted to the second half of the year, as previously guided, driven by prior mentioned production drivers of increasing tonnes from Xantho Extended and expected higher milling rates in H2-CY2023 versus H1-CY2023. Specifically, zinc production will be weighted to Dec-qtr.

Gold and Silver production for the quarter was 3.3koz (Mar-Qtr: 3.0koz) and 219koz (Mar-Qtr:172koz), respectively. Gold and silver production for the full year remains weighted to the second half as previously guided. However, following below plan production in the first half, guidance for gold and silver is lowered to 15-17koz and 750-850koz, respectively (previously: gold 20-23koz; silver 950-1,050koz).

Figure 3: Golden Grove Copper and Zinc Production (kt)



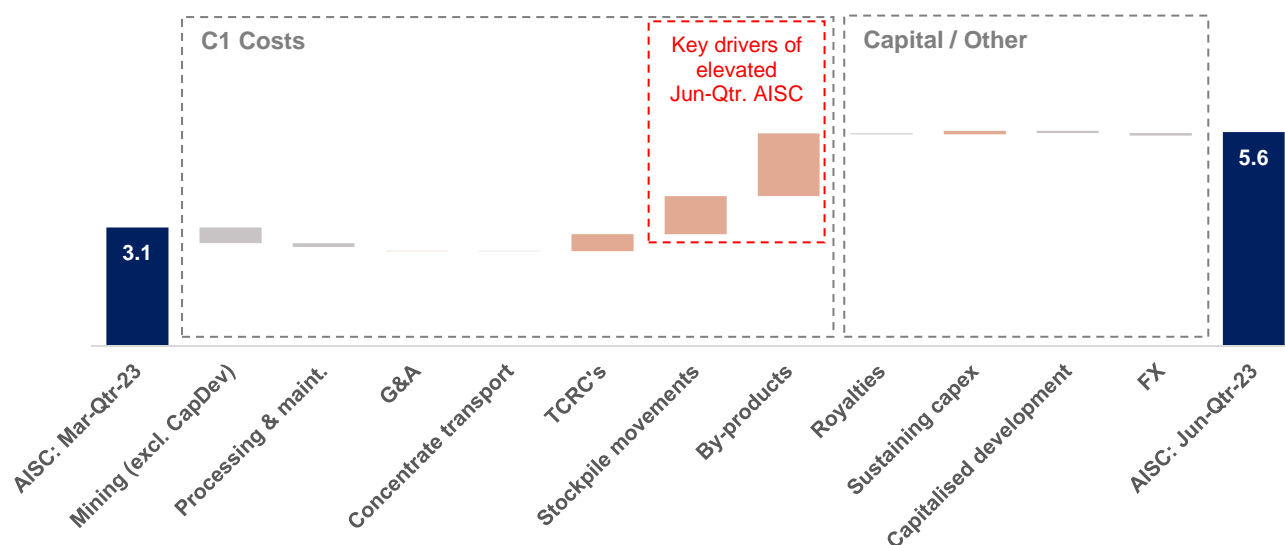
## Costs

Total site costs for Golden Grove continue to track to 2023 guidance ranges, with lower site costs despite higher production achieved in the quarter. Total capital costs are tracking towards the bottom end of the 2023 guidance range. An elevated AISC of US\$5.64/lb for the quarter (Mar-Qtr: US\$3.10/lb) was largely attributable to stockpile movement charges and materially lower by-product credits (see Figure 4).

An \$11m stockpile movement charge was incurred for the quarter (Mar-Qtr: -\$1.2m), primarily driven by a reduction in both concentrate stocks and Run-of-Mine ('ROM') ore during the quarter.

By-products were impacted by lower prevailing commodity prices, particularly zinc, which was lower by approximately 20%<sup>3</sup> relative to prior quarter. Lower prices negatively impacted by-product revenues during the quarter and resulted in unrealised Quotational Pricing ('QP') adjustments on prior period sales. Golden Grove is subject to quarter-on-quarter variation in these factors given the varied product sales mix<sup>4</sup> and by-product production volatility of the asset.

Figure 4: Golden Grove AISC Bridge Mar-Qtr to Jun-Qtr (US\$/lb Cu sold)



<sup>3</sup> Source: <https://www.lme.com/en/> - LME Zinc Price (3 Month Contract) price change 1 Apr-23 to 30 Jun-23

<sup>4</sup> Golden Grove produces three saleable products - Copper concentrate, zinc concentrate and lead concentrate.

Cost management and capital discipline remain a focus for 29Metals in 2023 as labour market pressures and the inflationary cost environment continue to challenge the sector. A process of identification, assessment and prioritisation of cost and productivity opportunities at Golden Grove is ongoing, with a focus on: rationalising contractor numbers and equipment on site; relocation of site-based roles to 29Metals' Perth office where appropriate (reducing FIFO-related costs and site allowances); review and retendering contracts; production efficiency projects; and deferring non-essential capital expenditure. Specific examples include in-sourcing of paste plant operations and retendering of underground drilling, village, and aircraft services contracts. Cost and productivity benefits from these initiatives were evident during the quarter with lower quarter-on-quarter site costs (Jun-Qtr: \$78 million vs Mar-Qtr: \$82 million), despite an approximate 23% increase in tonnes milled and approximately equivalent tonnes mined versus the prior quarter. Ongoing site cost reductions are being pursued over the course of 2023 and beyond.

### Growth Projects and Exploration

In late June, a cultural heritage survey was conducted in the Gossan Valley project area, with no areas of heritage significance or historic conservation sites found.

Resource infill drilling at Cervantes was ongoing during the quarter, with receipt of outstanding assays results expected within the Sep-Qtr. Results from the drill program will be incorporated into the 31-Dec 2023 Ore Reserves and Mineral Resources estimates update.

Resource extension drilling also took place at Tryall, a copper sulphide lens within the Gossan Hill mine project area. No significant mineralisation was intersected. A table summarising drilling activity for the quarter is included in Table 2 below.

Table 2: Golden Grove Jun-Qtr Drilling Summary

	Unit	Exploration	Resource extension	Resource conversion
Tryall Underground Diamond	m		204	
Cervantes Underground Diamond	m			3,815

A long-section for Golden Grove, illustrating 29Metals' 2022 Mineral Resources and Ore Reserves estimates, that outlines in-mine and near mine growth opportunities, and priority targets for exploration, is set out in Appendix 4.

## Capricorn Copper

Table 3: Capricorn Copper Summary

	Unit	Mar-Qtr-2023	Jun-Qtr-2023	2023 YTD	2023 Guidance <sup>1</sup>
<b>TRIFR</b>		<b>5.5</b>	<b>7.7</b>	<b>7.7</b>	<b>N/a</b>
<b>LTIFR</b>		<b>1.8</b>	<b>2.2</b>	<b>2.2</b>	<b>N/a</b>
<b>Copper produced</b>	kt	<b>2.6</b>	<b>0.0</b>	<b>2.6</b>	<b>7 – 9</b>
Silver produced	koz	20	0	20	40 – 50
<b>Payable copper sold</b>	Mlbs	<b>6.7</b>	<b>(0.1)</b>	<b>6.6</b>	<b>N/a</b>
Site Costs <sup>2</sup>	\$m	31	1	32	71 – 80
C1 Costs <sup>3</sup>	\$m	38	2	40	N/a
<b>C1 Costs</b>	<b>US\$/lb Cu sold</b>	<b>3.88</b>	<b>N/a</b>	<b>4.10</b>	<b>N/a</b>
Total capital	\$m	6	1	7	28 – 37
AISC	\$m	46	3	49	N/a
<b>AISC</b>	<b>US\$/lb Cu sold</b>	<b>4.69</b>	<b>N/a</b>	<b>5.04</b>	<b>N/a</b>
<b>Recovery Costs</b>	<b>\$m</b>	<b>9</b>	<b>25</b>	<b>34</b>	<b>70 – 85</b>

1. 2023 guidance for Capricorn Copper was withdrawn on 15 March 2023 and re-guided within "Updated Capricorn Copper 2023 Guidance" released to the ASX announcements platform on 23 May 2023 (a copy of which is available on 29Metals' website at: <https://www.29metals.com/investors/reports-presentations>). Refer to important information on page 9 regarding forward looking information in this report.

2. Site Costs is the sum of mining costs (excl. capitalised development), processing costs, and G&A costs.

3. C1 Costs is the sum of Site Costs, concentrate transport, TCRC's, stockpile movements, and by-product credits.

### Recovery Activities

Capricorn Copper operations remained temporarily suspended for the duration of the quarter due to the impact of the extreme weather event in early March.



The phased recovery plan for Capricorn Copper was outlined in the Strategic Update released to the ASX announcements platform on 23 May 2023. Recovery of operations is progressing to plan, with the Phase 1 initial restart of operations on track with recommencement of mining at Mammoth and Greenstone planned for August 2023.

Key Recovery plan activities during the quarter included:

- **Water treatment for mining and mineral processing** – preparation of settling ponds 3 and 4 to be used as an interim water treatment solution was completed post quarter end.
- **Water quality management and volume reduction** – new high-efficiency mechanical evaporators have been delivered to site, with completion of installation and commissioning expected early August. In addition, smaller previously decommissioned mechanical evaporators have been returned to service to further enhance the mechanical evaporation capacity on site. Changes in site water levels to date are tracking in line with expectations. Higher rates of water level reductions are anticipated with the commissioning of additional evaporators in the Sep-Qtr and anticipated seasonal weather conditions. Engagement with the regulator regarding 29Metals' other water quality management and volume reduction strategies remains constructive and ongoing.
- **Mammoth and Greenstone readiness** – The underground mining contractor, Byrnescut Australia Pty Ltd, has commenced re-mobilisation of personnel and equipment.
- **Mineral processing facilities** – the limited damage to the mineral processing facilities caused by the extreme weather event, notably the coarse-ore feeders and conveyor, has been repaired.

Early activity for Phase 2 of the Recovery is progressing to plan for the targeted mid-H1 2024 restart of the Esperanza South sub-level cave mine, with the design and selection of pumping and ancillary infrastructure to dewater ESS largely completed and in procurement.

In parallel with the recovery plan activities, 29Metals continues to engage with the regulator regarding the next lift (lift 2) of the Esperanza TSF. The approval process for the proposed TSF lift is ongoing as 29Metals works through further technical matters raised by the regulator.

29Metals continues to assess alternative shorter-term tailings storage capacity options as the site transitions to a planned new life-of-mine tailings storage facility.

### Costs

Capricorn Copper Recovery program and other costs were \$28 million for the quarter. Variance between these costs and total Capricorn Copper cash outflows of \$37 million (See Figure 6) primarily relate to the net flow through of working capital movements from the Mar-Qtr to the Jun-Qtr, consistent with the ramp-down of activity levels on site.

### Growth and Exploration

Exploration at Capricorn Copper was limited during the quarter given the primary focus on formulating and commencing the Recovery plan.

Results from the Mar-Qtr drilling program at Capricorn Copper were reported during the Jun-Qtr. The results of the program, completed prior to the March extreme weather event, highlight the potential for ongoing growth in the Mineral Resource estimates at Capricorn Copper.

As reported on 12 April 2023, the surface drilling program intersected mineralisation down plunge of existing Mineral Resources estimates for Esperanza South. Key results included:

- SDESS22\_003\_W3A: 70.0m @ 2.8% Cu, 26g/t Ag, 1083ppm Co, from 821m
- SDESS22\_003\_W2: 48.1m @ 2.7% Cu, 23g/t Ag, 1221ppm Co, from 878.9m
- SDESS22\_003A\_W1: 23.0m @ 3.0% Cu, 10g/t Ag, 779ppm Co, from 737m

Also, initial drilling east of the Mammoth orebody intersected broad intervals of copper mineralisation. Key results included:

- UDMAM22\_110: 228.0m @ 1.2% Cu, 3g/t Ag, 50ppm Co, from 427.0m:
  - Including, 36.0m @ 3.9% Cu, 6g/t Ag, 188ppm Co, from 427m.

The mineralisation intersected east of the Mammoth orebody is within approximately 70m of planned development at Mammoth and includes evidence of a new mineralised trend not previously identified. These results warrant follow-up, with future campaigns to target expanding higher grade areas which may support a new mining front.

Full details of the Capricorn Copper drilling results, including Competent Person's statement and JORC Code Table 1 disclosures, were included in 29Metals' 12 April release.



Figure 5: Mechanical evaporators

Other exploration activities during the Jun-Qtr included: commencement of data acquisition as a part of the *Cooperative Exploration Initiative* ('CEI') program with the Queensland government; and field reconnaissance of previously identified target areas for exploration.

A long-section for Capricorn Copper, illustrating 29Metals' 2022 Mineral Resources and Ore Reserves estimates, that outlines in-mine and near mine growth opportunities, and priority targets for exploration, is set out in Appendix 4.

## Redhill

Desktop evaluation is underway for the ground southeast of Cutters, to determine potential for additional mineralisation using public data. Multiple scenarios are being developed for potential future project activities.

## Finance and Corporate

29Metals' gross revenue for the Jun-Qtr, inclusive of final invoice and realised QP adjustments, but excluding hedging gains/losses, TCRC and unrealised QP adjustments, is shown in the table below.

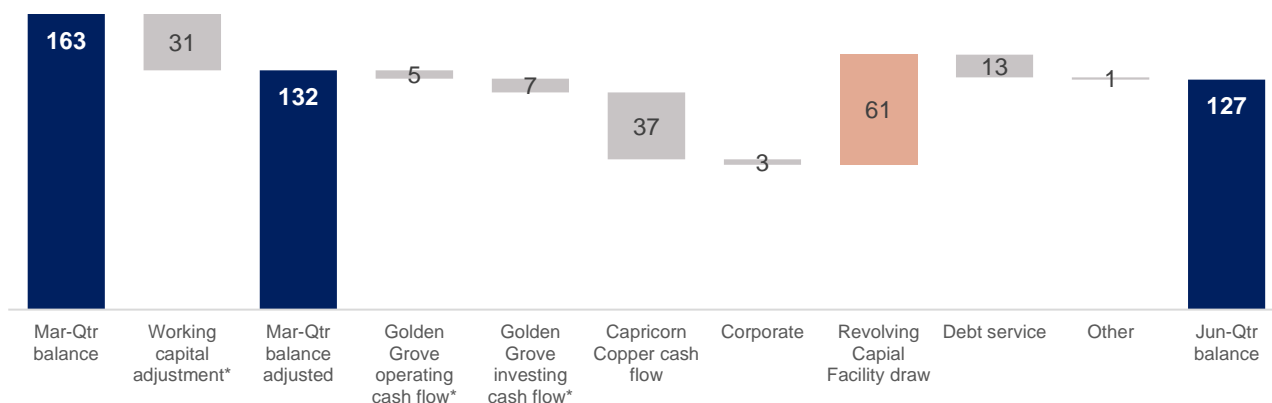
Table 4: Group Revenue Summary

	Unit	Mar-Qtr-2023	Jun-Qtr-2023	2023 YTD
<b>Total gross revenue</b>	<b>\$m</b>	<b>163.7</b>	<b>99.9</b>	<b>263.6</b>
<b>Golden Grove</b>	<b>\$m</b>	<b>119.1</b>	<b>100.6</b>	<b>219.8</b>
- Copper	\$m	50.8	45.5	96.3
- Zinc	\$m	24.9	39.2	64.1
- Gold	\$m	18.9	8.9	27.7
- Silver	\$m	14.8	5.9	20.7
- Lead	\$m	9.7	1.3	11.0
<b>Capricorn Copper</b>	<b>\$m</b>	<b>44.6</b>	<b>(0.7)</b>	<b>43.9</b>
- Copper	\$m	43.8	(0.7)	43.1
- Silver	\$m	0.8	0.0	0.8

Total gross revenue of \$100 million in the Jun-Qtr was \$64 million lower than the Mar-Qtr. Impact of suspended operations at Capricorn Copper accounts for \$45 million of this \$64 million dollar quarter-on-quarter variance, with the balance attributable to lower quarter-on-quarter revenue at Golden Grove.

29Metals' unaudited cash and cash equivalents at 30 June 2023 was \$127 million (31 March 2023: \$163 million).

Figure 6: Group cash and cash equivalents (\$ million)



\*: Unwind of a positive working capital movement of approximately \$31 million relating to the timing of Mar-Qtr expenses, as foreshadowed in the Mar-Qtr report.

As foreshadowed in the Mar-Qtr report, cashflows during the Jun-Qtr included and unwind of a positive working capital movement in the Mar-Qtr of approximately \$31 million, relating to the timing of Mar-Qtr expenses at Golden Grove.

Total cash outflows at Capricorn Copper during the quarter were \$37 million, which includes working capital flow through from the Mar-Qtr to the Jun-Qtr, consistent with the ramp-down of activity levels on site.

Unaudited drawn debt (excluding lease liabilities, and derivative financial assets and liabilities) at 30 June 2023 was US\$166 million (31 March 2023: US\$132 million)<sup>5</sup> after a scheduled principal repayment of US\$6 million and draw down of the Group's US\$40 million (\$61 million) Revolving Capital Facility during the quarter. Group unaudited net drawn debt<sup>6</sup> at 30 June 2023 was \$124 million (31 March 2023: \$34 million).

As previously advised, 29Metals has engaged closely with its lenders following the extreme weather event at Capricorn Copper in early March 2023. In the context of this engagement, 29Metals' lenders provided covenant relief under the Group's corporate debt facilities at 30 June 2023.

29Metals continues to engage with its insurers regarding property damage and business interruption as a result of the impact of the extreme weather event at Capricorn Copper. Following extensive engagement, insurers have now advised that they have the information required to finalise their view on policy coverage. 29Metals is pressing for a progress payment to assist with recovery activities promptly following insurers' coverage decision.

Unaudited cash balances and costs cited in this release are before any proceeds from insurance.

Final settlement of stamp duty in relation to the acquisition of Golden Grove remains outstanding with the WA Office of State Revenue. 29Metals has maintained a provision of \$26 million for stamp duty.

The 2023 Annual General Meeting ('AGM') was held during the quarter, with results of the meeting released to ASX on 1 June 2023. All resolutions put forward at the AGM were carried.

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*This quarterly report is authorised for release by the Managing Director & CEO, Peter Albert.*

<sup>5</sup> Drawn debt is amounts drawn under the Groups term loan and revolving capital facilities, excluding bank guarantees issued under the Group's environmental bonding and letter of credit facilities (\$59 million).

<sup>6</sup> Unaudited net drawn debt, net of cash balances and excluding EMR Capital IPO proceeds retained by 29Metals under the "Cash Backed Indemnity" arrangements (as described in section 10.6.12.3 of the 29Metals Prospectus dated 21 June 2021 released to the ASX announcements platform on 2 July 2021 and available on the 29Metals website at <https://www.29metals.com/investors/asx-announcements>). Cash and debt balances are converted to AUD at the exchange rate prevailing at period end, as applicable.



## Important information

### Forward-looking statements

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

Forward-looking statements involve inherent risks, assumptions and uncertainties, both general and specific, and there is a risk that predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause 29Metals' actual results to differ materially from the plans, objectives, expectations, estimates, targets and intentions expressed in such forward-looking statements, and many of these factors are beyond 29Metals' control. Relevant statements may prove to be incorrect, and circumstances may change, and the contents of this document may become outdated as a result.

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

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable laws, 29Metals does not undertake any obligation to publicly update or revise any forward-looking statements, to advise of any change in assumptions on which any such statement is based, or to publish prospective information in the future.

### Non-IFRS financial information

This document includes certain metrics, such as *Site Costs*, *C1 Costs*, *AISC*, *EBITDA*, *total liquidity*, *drawn debt and net drawn debt*, that are not recognised under Australian Accounting Standards and are classified as "non-IFRS financial information" under ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information*. 29Metals uses these non-IFRS financial information metrics to assess business performance and provide additional insights into the underlying performance of its assets.

Non-IFRS financial information metrics are unaudited. Non-IFRS financial information metrics in this report do not have standardised meaning under the Australian Accounting Standards and, as a result, may not be comparable to the corresponding metrics reported by other entities.

Non-IFRS financial information should be considered in addition to, and not as a substitute for, financial information prepared in accordance with Australian Accounting Standards. Readers are cautioned not to place undue reliance on non-IFRS financial information cited in this report.

## Corporate information

29Metals Limited (ABN 95 650 096 094)

### Board of Directors

Owen Hegarty OAM  
Peter Albert  
Fiona Robertson AM  
Jacqueline McGill AO  
Martin Alciaturi  
Tamara Brown  
Francis 'Creagh' O'Connor

Non-executive Director, Chair  
Managing Director & CEO  
Independent Non-executive Director  
Independent Non-executive Director  
Independent Non-executive Director  
Independent Non-executive Director  
Non-executive Director

**Company Secretary**  
Clifford Tuck

### Registered office

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Email: [contactus@29metals.com](mailto:contactus@29metals.com)  
Website: [www.29metals.com](http://www.29metals.com)

### Stock exchange listing

Australian Securities Exchange (Ticker: 29M)

### Investor relations

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Group Manager Investor Relations  
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### Registry

Link Market Services  
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Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Issued share capital

29Metals' issued capital is 482,081,840 ordinary shares (at 30 June 2023).

## Appendix 1: Production and sales

	Unit	Mar-Qtr-2023	Jun-Qtr-2023	2023 YTD	2023 Guidance <sup>1</sup>
<b>Golden Grove</b>					
Ore mined	kt	355	351	706	1,450 – 1,600
Ore milled	kt	315	387	702	1,450 – 1,600
Milled grade	Copper (%)	1.2%	1.2%	1.2%	N/a
	Zinc (%)	3.4%	3.9%	3.7%	N/a
	Gold (g/t)	0.5	0.4	0.4	N/a
	Silver (g/t)	26.4	25.3	25.8	N/a
Recovery	Copper (%)	84.7%	87.5%	86.2%	N/a
	Zinc (%)	81.8%	88.2%	85.6%	N/a
	Gold (%)	60.7%	69.6%	65.0%	N/a
	Silver (%)	64.2%	69.5%	67.0%	N/a
Cu concentrate prod.	dmt	16,275	22,070	38,344	N/a
	Cu grade (%)	19.1%	18.9%	19.0%	N/a
	Copper (t)	3,110	4,165	7,275	N/a
	Gold (oz)	2,519	2,861	5,380	N/a
	Silver (oz)	85,671	131,716	217,387	N/a
Zn concentrate prod.	dmt	16,880	26,703	43,583	N/a
	Zn grade (%)	51.5%	50.3%	50.7%	N/a
	Zinc (t)	8,686	13,421	22,108	N/a
	Gold (oz)	320	331	651	N/a
	Silver (oz)	45,303	57,573	102,876	N/a
HPM concentrate prod.	dmt	1,398	1,484	2,883	N/a
	Gold (oz)	202	96	298	N/a
	Silver (oz)	40,856	29,511	70,368	N/a
	Copper (t)	74	52	126	N/a
	Lead (t)	527	319	846	N/a
Metal produced	Copper (t)	3,185	4,216	7,401	17,000 – 20,000
	Zinc (t)	8,686	13,421	22,108	54,000 – 61,000
	Gold (oz)	3,041	3,288	6,329	15,000 – 17,000 <sup>2</sup>
	Silver (oz)	171,830	218,801	390,631	750,000 – 850,000 <sup>2</sup>
	Lead (t)	527	319	846	N/a
Payable metal sold	Copper (t)	3,645	3,708	7,353	N/a
	Zinc (t)	5,014	12,025	17,039	N/a
	Gold (oz)	6,275	3,070	9,345	N/a
	Silver (oz)	424,772	151,381	576,153	N/a
	Lead (t)	3,033	398	3,431	N/a
<b>Capricorn Copper</b>					
Ore mined	kt	234	0	234	514 – 584
Ore milled	kt	193	0	193	473 – 543
Milled grade	Copper (%)	1.7%	0.0%	1.7%	N/a
Recovery	Copper (%)	82.5%	0.0%	82.5%	N/a
Cu concentrate prod.	dmt	12,637	0	12,637	N/a
	Cu grade (%)	20.9%	0.0%	20.9%	N/a
	Copper (t)	2,640	0	2,640	7,000 – 9,000
	Silver (oz)	19,557	0	19,557	40,000 – 50,000
Payable metal sold	Copper (t)	3,037	-37	3,000	N/a
	Silver (oz)	21,449	-142	21,306	N/a

<sup>1</sup> 2023 guidance for Capricorn Copper was withdrawn on 15 March 2023 and re-guided within a “Updated Capricorn Copper 2023 Guidance” released to the ASX announcements platform on 23 May 2023. 2023 guidance for Golden Grove as set out in the quarterly report for the Dec-Qtr 2022 released to the ASX announcements platform on 24 January 2023 (a copy of which is available on 29Metals’ website at: <https://www.29metals.com/investors/reports-presentations>), with CY2023 gold and silver guidance lowered within this quarterly (Jun-Qtr-23) report. Refer to important information on page 9 regarding forward looking information in this report. Operating and financial information presented in this report is unaudited.

<sup>2</sup> 2023 Gold and silver production guidance lowered to 15-17koz and 750-850koz, respectively (previously: gold 20-23koz; silver 950-1,050koz).

## Appendix 2: C1 Costs and AISC

	Unit	Mar-Qtr-2023	Jun-Qtr-2023	2023 YTD	2023 Guidance <sup>1</sup>
<b>29Metals Group</b>					
<b>C1 Costs</b>	<b>\$m</b>	<b>60.6</b>	<b>57.3</b>	<b>117.9</b>	<b>N/a</b>
Payable copper sold	Mlbs	14.7	8.1	22.8	N/a
C1 Costs	\$/lb	4.11	7.08	5.16	N/a
<b>C1 Costs</b>	<b>US\$/lb</b>	<b>2.81</b>	<b>4.73</b>	<b>3.49</b>	<b>N/a</b>
Royalties	\$m	6.4	4.2	10.5	N/a
Corporate	\$m	6.6	7.5	14.0	25 – 28
Sustaining capex	\$m	6.4	7.0	13.4	41 – 51
Capitalised development	\$m	9.3	4.4	13.6	35 – 43
<b>AISC</b>	<b>\$m</b>	<b>89.2</b>	<b>80.3</b>	<b>169.5</b>	<b>N/a</b>
AISC	\$/lb	6.05	9.93	7.43	N/a
<b>AISC</b>	<b>US\$/lb</b>	<b>4.14</b>	<b>6.63</b>	<b>5.02</b>	<b>N/a</b>
Growth capital	\$m	3.1	2.9	6.0	20 – 25
Group exploration	\$m	0.2	1.3	1.5	9 – 14
FX rate	AUD:USD	0.684	0.668	0.676	N/a
<b>Golden Grove</b>					
Mining (excl. CapDev)	\$m	57.1	53.5	110.5	205 – 235
Processing	\$m	18.7	17.9	36.6	78 – 86
G&A	\$m	6.5	6.6	13.0	28 – 33
Concentrate transport	\$m	4.7	4.8	9.5	22 – 26
TCRC	\$m	9.6	15.3	24.9	63 – 72
Stockpile movements	\$m	(1.2)	11.0	9.8	N/a
By-products <sup>2</sup>	\$m	(73.0)	(54.5)	(127.4)	N/a
<b>C1 Costs</b>	<b>\$m</b>	<b>22.4</b>	<b>54.6</b>	<b>77.0</b>	<b>N/a</b>
Payable copper sold	Mlbs	8.0	8.2	16.2	N/a
C1 Costs	\$/lb	2.79	6.68	4.75	N/a
<b>C1 Costs</b>	<b>US\$/lb</b>	<b>1.91</b>	<b>4.46</b>	<b>3.21</b>	<b>N/a</b>
Royalties	\$m	4.2	4.0	8.3	N/a
Sustaining capex	\$m	4.7	6.0	10.7	24 – 28
Capitalised development	\$m	5.1	4.4	9.4	24 – 30
<b>AISC</b>	<b>\$m</b>	<b>36.4</b>	<b>69.0</b>	<b>105.4</b>	<b>N/a</b>
AISC	\$/lb	4.53	8.44	6.50	N/a
<b>AISC</b>	<b>US\$/lb</b>	<b>3.10</b>	<b>5.64</b>	<b>4.39</b>	<b>N/a</b>
Growth capital	\$m	3.1	2.9	6.0	20 – 24
<b>Capricorn Copper</b>					
Mining (excl. CapDev) <sup>3</sup>	\$m	15.4	0.1	15.5	40 – 45
Processing <sup>3</sup>	\$m	11.2	0.8	12.1	20 – 22
G&A <sup>3</sup>	\$m	4.1	-	4.1	11 – 13
Concentrate transport	\$m	3.6	(0.3)	3.2	7 – 8
TCRC	\$m	3.8	0.5	4.2	8 – 9
Stockpile movements	\$m	0.7	1.2	1.9	N/a
By-products <sup>2</sup>	\$m	(0.8)	(0.0)	(0.8)	N/a
<b>C1 Costs</b>	<b>\$m</b>	<b>38.0</b>	<b>2.2</b>	<b>40.2</b>	<b>N/a</b>
Payable copper sold	Mlbs	6.7	(0.1)	6.6	N/a
C1 Costs	\$/lb	5.67	N/a	6.07	N/a
<b>C1 Costs</b>	<b>US\$/lb</b>	<b>3.88</b>	<b>N/a</b>	<b>4.10</b>	<b>N/a</b>
Royalties	\$m	2.1	0.1	2.2	N/a
Sustaining capex	\$m	1.7	1.0	2.7	17 – 23
Capitalised development	\$m	4.2	-	4.2	11 – 13
<b>AISC</b>	<b>\$m</b>	<b>45.9</b>	<b>3.4</b>	<b>49.3</b>	<b>N/a</b>
AISC	\$/lb	6.86	N/a	7.46	N/a
<b>AISC</b>	<b>US\$/lb</b>	<b>4.69</b>	<b>N/a</b>	<b>5.04</b>	<b>N/a</b>
Growth capital	\$m	0.0	0.0	0.0	0 – 1
<b>Recovery costs<sup>3</sup></b>	<b>\$m</b>	<b>8.7</b>	<b>25.1</b>	<b>33.8</b>	<b>70 – 85</b>

1. 2023 guidance for Capricorn Copper was withdrawn on 15 March 2023 and re-guided within a “Updated Capricorn Copper 2023 Guidance ” released to the ASX announcements platform on 23 May 2023. 2023 guidance for Golden Grove provided in the quarterly report for the Dec-Qtr 2022 released to the ASX announcements platform on 24 January 2023 (a copy of which is available on 29Metals’ website at: <https://www.29metals.com/investors/reports-presentations>), with CY2023 gold and silver guidance lowered within this quarterly (Jun-Qtr-23) report. Refer to important information on page 9 regarding forward looking information in this report. Operating and financial information presented in this report is unaudited.
2. By-products include gold, zinc, silver and/or lead revenue, net of unrealised QP adjustments.
3. Majority of Capricorn Copper Site Costs (Mining (excl. CapDev), Processing and G&A) for the period 1 March to 30 Jun 2023 allocated to Recovery costs.

## Appendix 3: 2023 Sustainability & ESG Priorities

Summary of 2023 Sustainability & ESG Priorities <sup>7</sup>	Progress
<b>Safe &amp; inclusive workplace</b>	
Continued focus on eliminating serious injuries and incidents and reducing incidence of minor injuries	<input type="radio"/>
<b>Inclusion and Diversity</b>	
Group wide roll-out of mental health first aid training	<input type="radio"/>
Improve female participation as a proportion of total 29Metals' workforce	<input type="radio"/>
Continue to identify and address inclusion and diversity barriers	<input type="radio"/>
Improve number of women in leadership roles	<input type="radio"/>
Improve cultural competency	<input type="radio"/>
<b>Responsible environmental stewardship (including action on climate change)</b>	<input type="radio"/>
Continued focus on improved water management	
Reduce water inventory at Capricorn Copper	<input type="radio"/>
Reduce freshwater draw and increase water efficiency at both operations	
Implement 2022 actions in 29Metals' roadmap for aligning with TCFD recommendations including setting credible external emission reduction targets (Scope 1 and Scope 2)	<input type="radio"/>
Advance progress towards long term tailings storage facilities at both operations	<input type="radio"/>
Continued focus on progressive rehabilitation and closure planning	<input type="radio"/>
<b>Partnering with stakeholders</b>	
Develop a framework for stakeholder engagement, including community partnership arrangements, contributions to support community programs and the promotion of local business and employees	<input type="radio"/>
Continue to identify opportunities to collaborate with subject matter experts, OEMs and peers to improve Sustainability & ESG outcomes	<input type="radio"/>
Continue stakeholder and community engagement regarding priorities for Sustainability & ESG activities	<input type="radio"/>
<b>Responsible and ethical business practices / Continuous improvement</b>	
Continuing engagement with our workforce, highlighting workplace behaviour	<input type="radio"/>
Fostering an environment where workplace participants have the confidence to raise concerns	<input type="radio"/>
Continuing improvement in data management and use to inform business decisions	<input type="radio"/>
Refresh management systems and processes to promote compliance and continuous improvement	<input type="radio"/>

Completed

Commenced and in-progress / underway

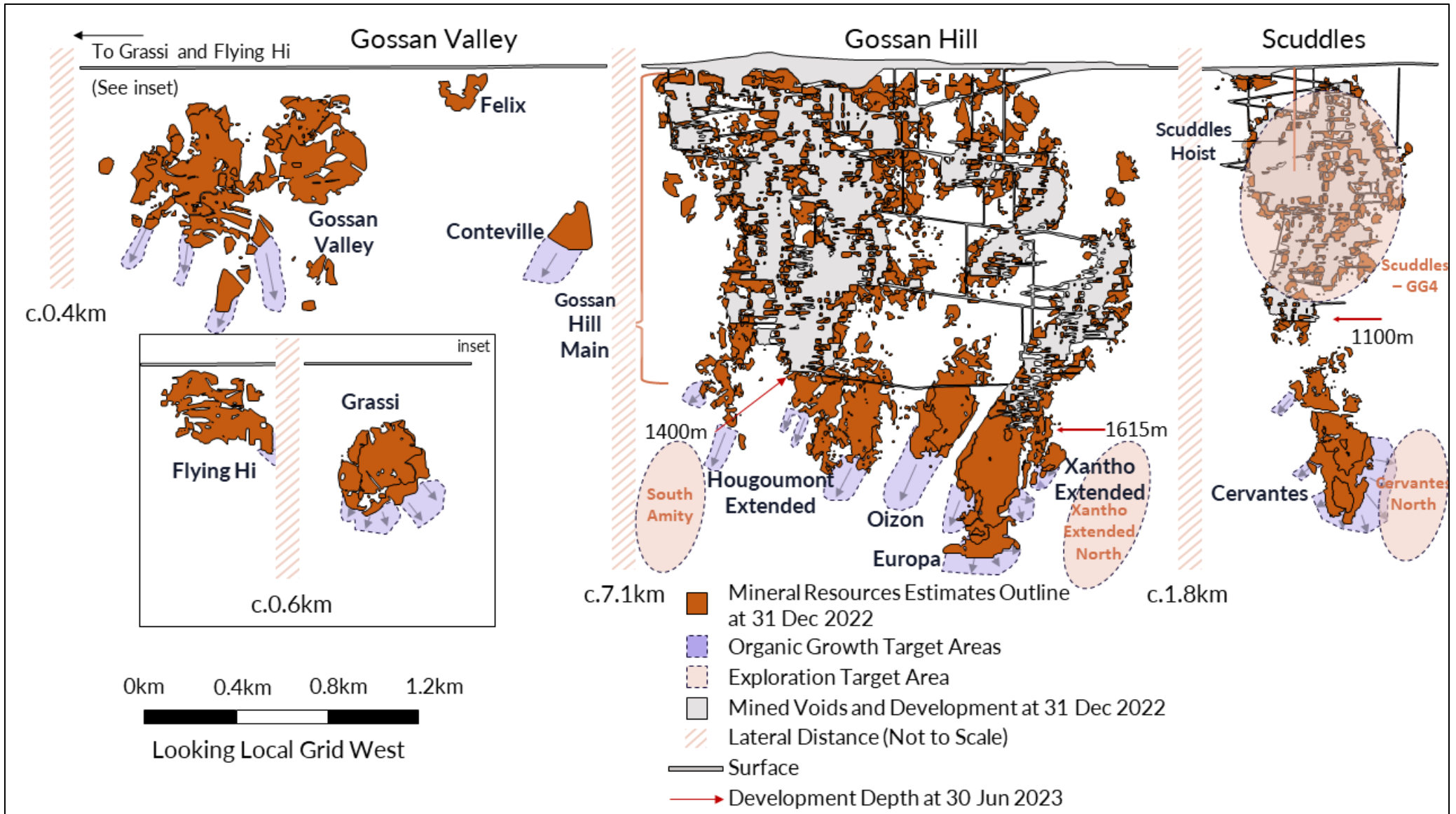
Not started / no progress

<sup>7</sup> 29Metals' 2023 Sustainability & ESG priorities, as published in 2022 Sustainability & ESG Report released to the ASX announcements platform on 24 April 2023 in 29Metals' 2022 Annual Report, and available via 29Metals' website at: <https://www.29metals.com/sustainability>.



# Appendix 4: Long sections

Golden Grove long section



Capricorn Copper long section

