

23 February 2024

2023 Full Year Financial Results

29Metals Limited ('29Metals' or the 'Company') today released its Appendix 4E and Annual Financial Report for the full year ended 31 December 2023 (the '2023 Financial Results') for 29Metals and its controlled entities (the 'Group').

This release presents a summary of information reported in the 2023 Financial Results and should be read in conjunction with the full 2023 Financial Results, released separately today. Unless otherwise stated, results in this release are in Australian dollars and reported on a statutory basis.

Key Results:

- **Copper and zinc production of 24.2kt (2022: 40.8kt) and 51.5kt (2022: 57.6kt), respectively.** Copper production for the period impacted by the Extreme Weather Event¹ at Capricorn Copper in March and temporary suspension of operations through to a partial restart in August 2023.
- Financial results heavily impacted by the Extreme Weather Event and lower commodity prices with:
 - **Revenue² of \$450 million** (2022: \$721 million);
 - **EBITDA³ loss of \$21 million** (2022: \$152 million);
 - **Operating cash outflow of \$37 million** (2022: \$156 million inflow); and
 - **Net loss after tax ('NLAT') of \$440 million** (2022: \$47 million NLAT).
- The 2023 NLAT is after non-cash write down of deferred tax assets ('DTA') of \$58 million and impairment charges, net realisable value ('NRV') write-downs and write-off of exploration and evaluation expenditure totalling \$212 million.
- Cash and equivalents of \$162 million (31 December 2022: \$172 million) and Net Drawn Debt³ of \$55 million (31 December 2022: \$26 million).
- No dividend declared for the full year ended 31 December 2023.

For the year ending 31 December	UNITS	2023	2022	VAR
Revenue	\$'000	449,748	720,688	(270,940)
Cost of sales	\$'000	(540,865)	(716,799)	175,934
Gross loss / (profit)	\$'000	(91,117)	3,889	(95,006)
EBITDA ¹	\$'000	(21,186)	151,579	(172,765)
Cashflow from operating activities	\$'000	(36,524)	155,690	(192,214)
NLAT	\$'000	(440,463)	(47,222)	(393,241)
Earnings per share ('EPS')	cents/share	(80)	(10)	(70)
Copper production	kt	24.2	40.8	(16.6)
Zinc production	kt	51.5	57.6	(6.1)
% copper sales ²	%	59%	59%	0%
Copper price (period average)	US\$/lb	3.85	4.00	(0.16)
Zinc price (period average)	US\$/lb	1.20	1.58	(0.38)
Exchange rate (period average)	AUD:USD	0.664	0.695	(0.031)
C1 Costs ¹	US\$/lb	3.61	2.46	1.15
AISC ¹	US\$/lb	4.96	3.64	1.32

Subject to rounding.

¹ EBITDA, C1 Costs and AISC are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

² % Copper sales is gross copper sales proceeds (before QP adjustments and TCRCs), divided by the sum of gross sales proceeds for copper, zinc, gold, silver and lead (before QP adjustments and TCRCs).

¹ Refers to 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; and "Strategic Update" released to the ASX announcements platform on 23 May 2023.

² Revenue cited inclusive of quotational period ('QP') adjustments, and net of concentrate treatment and refining charges ('TCRCs').

³ EBITDA and Net Drawn Debt are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

Commenting on the 2023 Financial Results Managing Director & Chief Executive Officer, Peter Albert, said:

“29Metals’ 2023 financial result has been overwhelmed by the direct and indirect financial impacts of the Extreme Weather Event at Capricorn Copper, with impacts to production, revenue, recovery costs and non-cash accounting impairment charges.

Through the second half of 2023 we saw a significant improvement and we remained focussed on executing our plans to deliver positive improvements for both operations.

At Golden Grove we demonstrated improvement in development rates at the high-grade Xantho Extended ore body, completion of major debottlenecking projects and maintained cost management and capital discipline with approximately \$20m in sustainable cost savings implemented. The enablers are now firmly in place to deliver improved productivity and support progressively higher metal production at Golden Grove.

At Capricorn Copper, the phased approach to recovery was well progressed and the declarations conferred by the Queensland Government during the December 2023 quarter are a strong show of support for the full recovery of operations following the extreme weather event in March 2023 and the long-term future of the site. We will need the continuing support of Office of Coordinator-General and our other regulatory and government stakeholders to enable successful full recovery of operations at Capricorn Copper this year.”

Important information regarding non-IFRS financial information

Non-IFRS financial information metrics used in this release

29Metals’ results are reported under IFRS. This report includes certain metrics, such as *AISC, C1 Costs, Drawn Debt, EBITDA, Net Drawn Debt, Recovery Expenses* and *Site Operating Costs*, which are non-IFRS financial information metrics within the meaning of ASIC Regulatory Guide 230: ‘*Disclosing non-IFRS financial information*’.

The non-IFRS financial information metrics used in this report 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 9 for definitions of the non-IFRS financial information metrics used in this report.

Summary of 2023 Financial Results

Revenue

Revenue of \$450 million (2022: \$721 million) was \$271 million, or 38%, lower than the prior corresponding period, reflecting lower sales volumes (including impact of Extreme Weather Event) and lower commodity prices, with:

- a 38% reduction (\$195 million) in copper concentrates revenue, on lower sales volumes;
- a 49% reduction (\$89 million) in revenue from zinc concentrates, on lower sales volumes, lower payable precious metals content and materially lower zinc prices; and
- lower copper and zinc concentrate revenues partly offset by lead concentrates sales of \$25 million (2022: nil).

Costs

Cost of sales in 2023 decreased 25% against the prior period, reflecting the impacts of lower activity levels as well as cost management and productivity improvement focus at both operations against a backdrop of continuing industry-wide inflation.

Cost of sales for the year ending 31 December	UNITS	2023	2022	VAR
Site Operating Costs ¹	\$'000	383,932	475,294	(91,362)
Depreciation & amortisation ('D&A') ²	\$'000	116,851	188,989	(72,138)
Stockpile movements ³	\$'000	(3,515)	(17,995)	14,480
Government royalties	\$'000	20,455	31,842	(11,387)
Other production and shipping costs	\$'000	23,142	38,669	(15,527)
Cost of sales	\$'000	540,865	716,799	(175,934)

¹ *Site Operating Costs* is a non-IFRS financial information metric. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

² D&A in Cost of sales excludes D&A attributable to the phased recovery of Capricorn Copper and administrative functions.

³ Included in Stockpile movements is an amount of \$4,960,000 net realisable value write down of closing inventory at 31 December 2023 (2022: nil) and a write down of inventory stockpile of \$3,800,000 (2022: nil).

Site Operating Costs⁴ for the Reporting Period were \$384 million, 19% lower than the prior period (2022: \$475 million), reflecting:

- lower activity levels from the suspension of Capricorn Copper operations and constrained mill throughput in the first four months of the year at Golden Grove to manage available tailings capacity; and
- cost management yielding approximately \$20 million of savings and productivity focus at both operations, with Golden Grove Site Operating Costs within 2% of the prior period, despite cost inflation pressures.

Government royalties and other production and shipping costs were 38% lower reflecting the impact of lower sales volumes and lower commodity prices.

D&A was 38% lower in 2023, reflecting lower production rates resulting in lower depreciation expense, and reduced carrying values of Property, Plant and Equipment and Mine Properties assets following the non-cash impairment charges recorded in the Group's half-year Financial Statements for the six months ended 30 June 2023 ('HY23').

D&A for the year ending 31 December	UNITS	2023	2022	VAR
Property, plant and equipment D&A	\$'000	27,667	63,823	(36,156)
Mine Properties D&A	\$'000	67,867	92,756	(24,889)
AASB16 leases amortisation	\$'000	24,085	32,774	(8,689)
Intangibles amortisation	\$'000	45	46	(1)
Total D&A	\$'000	119,664	189,399	(69,735)

EBITDA

EBITDA⁴ for the period was a loss of \$21 million, approximately \$173 million lower than the prior corresponding period (2022: \$152 million EBITDA), reflecting lower revenue and the impact of the Extreme Weather Event.

2023 EBITDA includes Recovery Expenses at Capricorn Copper of \$47 million (2022: nil), as well as inventory write-down expenses of approximately \$3 million at Capricorn Copper (2022: nil) and \$8 million at Golden Grove (2022: nil).

⁴ *EBITDA* and *Site Operating Costs* are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

Impairment Expenses

In the context of a sustained decline in 29Metals' market capitalisation following the Extreme Weather Event 29Metals undertook a formal assessment of the Group's carrying values.

As a result of the analysis performed, a non-cash impairment of \$170 million was recorded in the financial results for the six months ended 30 June 2023 (the 'HY23 Results') relating to the Capricorn Copper CGU. The impairment reflects the deferral of revenues and increased costs associated with the Capricorn Copper phased recovery. The key assumptions and sensitivities in relation to the carrying value test are included in Note 21 of the 2023 Financial Results.

Also disclosed in the HY23 results, Capricorn Copper recorded non-cash impairment charges of \$27 million as a result of damage or loss to assets and \$2 million for the NRV write-down of ROM inventories. Total NRV write-downs at Capricorn Copper for the full year ending 31 December 2023 was \$3 million.

Impairments in relation to Golden Grove totalled \$13 million for the full year ending 31 December 2023, comprising of write-downs of exploration and evaluation expenditure (\$5 million), inventory stockpiles (\$4 million), and inventory NRV (\$4 million).

The Group's DTA of \$58 million carried forward in the HY23 results have been de-recognised.

Impairment Expenses for the 12 months to 31 December	UNITS	2023
Capricorn Copper:		
Mine properties	\$'000	135,997
Property, plant and equipment	\$'000	32,325
Right of use assets	\$'000	1,678
CGU impairment	\$'000	170,000
Asset impairment expense	\$'000	27,000
Inventory write-down – NRV impairment	\$'000	2,610
Total Capricorn Copper impairments	\$'000	199,610
Golden Grove:		
Exploration and evaluation assets write-off	\$'000	5,092
Inventory stockpile write-off	\$'000	3,800
Inventory write-down – NRV impairment	\$'000	3,970
Total Golden Grove impairments	\$'000	12,862
DTA write-off	\$'000	58,072

NPAT

29Metals recorded an NLAT for the Reporting Period of \$440 million (2022: \$47 million NLAT), including the impact of non-cash impairment charges and de-recognitions totalling \$271 million.

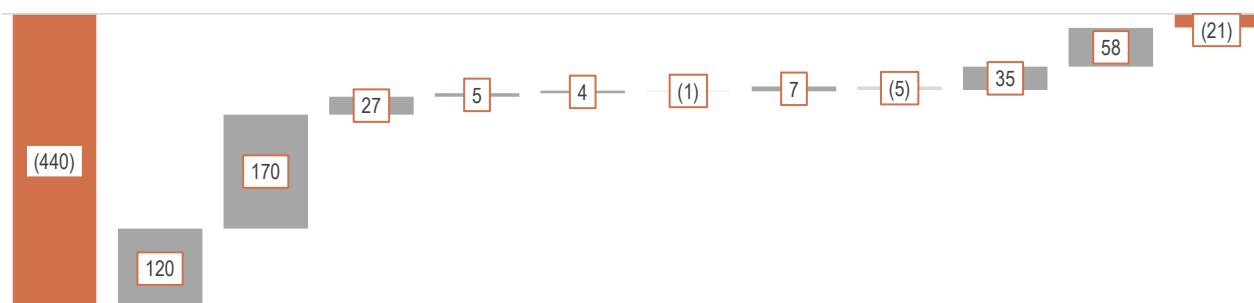
For the year ending 31 December	UNITS	2023	2022	VAR
Gross (loss) / profit	\$'000	(91,117)	3,889	(95,006)
Other income	\$'000	916	201	715
Net loss on derivative financial instruments	\$'000	(7,240)	(4,652)	(2,588)
Net foreign exchange gain / (loss)	\$'000	4,230	(12,198)	16,428
Administration expenses	\$'000	(34,698)	(33,884)	(814)
Other expenses	\$'000	(544)	0	(544)
<i>Extreme Weather Event</i>	\$'000	(49,510)	0	(49,510)
Impairment expense relating to Capricorn Copper CGU	\$'000	(170,000)	0	(170,000)
Write-off of exploration and evaluation expenditure	\$'000	(5,092)	0	(5,092)
Loss before net finance costs and income tax expense	\$'000	(353,055)	(46,644)	(306,411)
Net finance costs	\$'000	(29,336)	(19,172)	(10,164)
Loss before income tax expense	\$'000	(382,391)	(65,816)	(316,575)
Income tax (expense) / benefit	\$'000	(58,072)	18,594	(76,666)
NLAT	\$'000	(440,463)	(47,222)	(393,241)
EPS	cents	(79.9)	(9.8)	(70.1)

The table below provides a breakdown of the financial impacts of the Extreme Weather Event line item in the above table.

For the year ending 31 December	UNITS	2023	2022	VAR
Other income - insurance proceeds	\$'000	24,000	0	24,000
Other income - proceeds from sale of gas	\$'000	4,625	0	4,625
Recovery Expenses	\$'000	(47,106)	0	(47,106)
Inventories – NRV write down	\$'000	(1,620)	0	(1,620)
D&A	\$'000	(2,409)	0	(2,409)
Asset impairment expense	\$'000	(27,000)	0	(27,000)
Extreme Weather Event:	\$'000	(49,510)	0	(49,510)

¹ *Recovery Expenses* is a non-IFRS financial information metric. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

NPAT to EBITDA⁵ bridge



2023 NLAT	Depreciation and amortization	Impairment expense relating to Capricorn Copper cash generating unit	Asset impairment resulting from damage or loss	Write-off of exploration and evaluation expenditure	Write down of inventory stockpile	Net foreign exchange loss – unrealized	Net loss on derivative financial instruments	Finance income	Interest expense and other cost of finance	Income tax (expense) / benefit	2023 EBITDA
(440)	120	170	27	5	4	(1)	7	(5)	35	58	(21)

Balance Sheet

At 31 December 2023, Net Drawn Debt⁵ was approximately \$55 million (31-Dec-2022: \$26 million).⁶

Net Drawn Debt	UNITS	2023	2022	VAR
Term loan facility	\$'000	153,207	198,359	(45,152)
Working capital facility	\$'000	58,997	0	58,997
Insurance premium funding	\$'000	5,007	0	5,007
Drawn Debt¹	\$'000	217,211	198,359	18,852
Cash and cash equivalents ²	\$'000	161,859	171,962	(10,103)
Net Drawn Debt¹	\$'000	55,352	26,397	28,955
<i>US\$ balances included in cash and cash equivalents</i>	<i>US\$'000</i>	<i>13,759</i>	<i>47,152</i>	<i>(33,393)</i>

¹ Drawn Debt and Net Drawn Debt are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

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 Group's Consolidated Financial Statements for the year ended 31 December 2021 for further information regarding the Cash Backed Indemnity Deed.

The term loan facility of \$153 million⁷ at 31 December 2023 decreased by \$45 million from 31 December 2022, reflecting repayments during the year. At 31 December 2023, the US\$40 million working capital facility was fully drawn.

⁵ *EBITDA* and *Net Drawn Debt* are non-IFRS financial information metrics. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.

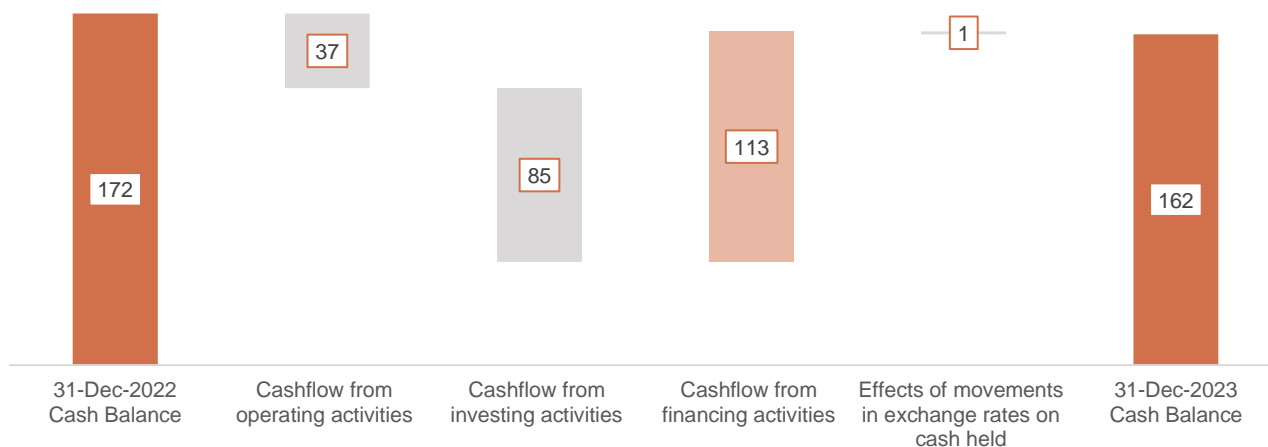
⁶ Excludes cash balances set aside for rental security deposits and IPO proceeds retained by 29Metals under the Cash Backed Indemnity Deed. Refer to Note 38 of the Group's Consolidated Financial Statements for the year ended 31 December 2021 for further information regarding the Cash Backed Indemnity Deed.

⁷ Reflects the A\$ equivalent of amounts drawn under the Group's US\$ term loan facility principal balance owing at 31 December 2023 and adjustments for accounting purposes, net of un-amortised capitalised borrowing costs.

The \$10 million decrease in cash and cash equivalents to \$162 million (31-Dec-22: \$172 million) reflecting negative cash impacts of lower sales volumes and commodity prices during the period, together with cash outflows in relation to Capricorn Copper recovery efforts following the Extreme Weather Event, which were largely offset by positive cash impacts of an Entitlement Offer⁸ to raise gross proceeds of \$151 million and the draw down of the US\$40m working capital facility.

Final settlement of stamp duty in relation to the acquisition of Golden Grove remained outstanding at the end of the Reporting Period. 29Metals has recognised a \$27 million accrual for stamp duty at 31 December 2023.

Cash flow bridge



Dividend

The Board has determined not to pay a dividend in connection with the 2023 Financial Results.

2024 Guidance

29Metals outlined guidance for physicals, costs and capital for Golden Grove, Corporate costs and Group exploration in its Dec-2023 quarter report.

Set out below is additional guidance for 2024 regarding financial metrics. 29Metals' guidance is subject to market and operating conditions.

	UNITS	2023 Actual	2024 Guidance ¹
Golden Grove			
D&A			
Mine Properties	\$m	55	50 – 61
PPE	\$m	25	21 – 26
AASB16 Leasing	\$m	20	24 – 28
Group			
Tax payable	\$m	0	0

¹. Guidance is subject to market and operating conditions. Refer to page 8 for important information regarding forward looking statements.

This release was authorised for release by the Board of Directors.

⁸ Information regarding the Entitlement Offer is set out in 29Metals' investor presentation "Entitlement Offer – Investor Presentation" released to the ASX announcements platform on 30 August 2023.

Corporate Information

29Metals Limited (ABN 95 650 096 094)

Board of Directors

Owen Hegarty OAM	Non-Executive Chair
Peter Albert	Managing Director & CEO
Fiona Robertson AM	Independent Non-Executive Director
Jacqueline 'Jacqui' McGill AO	Independent Non-Executive Director
Martin Alciaturi	Independent Non-Executive Director
Tamara Brown	Independent Non-Executive Director
Francis 'Creagh' O'Connor	Non-Executive Director

Company Secretary

Clifford Tuck

Registered Office

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Website: www.29Metals.com

Stock Exchange Listing

Australian Securities Exchange (Ticker: 29M)

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Email: Michael.Slifirski@29Metals.com

Registry

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Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Issued Share Capital

29Metals' issued capital is 701,315,330 ordinary shares (at 31 December 2023).

IMPORTANT INFORMATION REGARDING 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.

Without limiting the generality of the foregoing, 29Metals notes that instances of escalating COVID-19 infection and hospitalisation rates continue to be reported publicly. 29Metals' guidance and other forward looking statements assume that restrictions on movement and other government intervention will not return or escalate.

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.

Appendix – Non-IFRS financial information

METRIC	DEFINITION
AISC	is <i>all-in sustaining costs</i> , and is calculated as C1 Costs plus royalties cost, corporate costs, sustaining capital and capitalised development costs, but excludes growth capital, exploration and Recovery Expenses. AISC is cited in 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 Expenses. C1 Costs is cited in US\$ per pound of payable copper sold and in \$'000 terms.
Drawn Debt	s 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 facility.
EBITDA	<p>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 cash-generating unit, write down of inventory (excluding NRV inventory write downs), write-off of exploration and evaluation expenditure, income tax expense/(benefit) and depreciation and amortisation. Because it eliminates all gains and losses on forward commodity contracts (copper) and swaps (gold), 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.</p> <p>A reconciliation of EBITDA to NPAT/(NLAT) is set out on page 10 of this report.</p>
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 Expenses	is costs incurred in relation to the Extreme Weather Event at Capricorn Copper. Recovery Expenses include physical remediation works and allocation of Site Operating Costs to support these activities. Recovery Expenses exclude capital remediation works in relation to the Extreme Weather Event and are not included in C1 Costs and AISC.
Site Operating Costs	s 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 Expenses.

RECONCILIATION OF EBITDA TO NPAT

For the year ending 31 December		2023	2022	VAR
NLAT	\$'000	(440,463)	(47,222)	(393,241)
Add: Income tax (expense) / benefit	\$'000	58,072	(18,594)	76,666
Add: Extreme Weather Event – impairment as a result of damage or loss	\$'000	27,000	0	27,000
Add: Extreme Weather Event – impairment of Capricorn Copper segment	\$'000	170,000	0	170,000
Add: Write-off of exploration and evaluation expenditure	\$'000	5,092	0	5,092
Add: Write-down of inventory – stockpile	\$'000	3,800	0	3,800
Add: Net finance costs	\$'000	29,336	19,172	10,164
Add: Depreciation and amortisation	\$'000	119,664	189,399	(69,735)
Add: Unrealised foreign exchange (gain) / loss	\$'000	(927)	4,172	(5,099)
Add: Net loss on derivative financial instruments	\$'000	7,240	4,652	2,588
EBITDA ¹	\$'000	(21,186)	151,579	(172,765)

¹ EBITDA is a non-IFRS financial information metric. Refer to important information regarding the use of non-IFRS financial information in this release on page 2.