

March 2022

Quarterly Report

29Metals Limited ('29Metals' or, the 'Company') today reported results for the March 2022 quarter.

Highlights

- Performance for the Mar-Qtr was substantially improved on the prior corresponding period, despite challenging conditions across the sector.
- During the quarter, operations were impacted by seasonal operating constraints combined with the continuing impact of tight labour market conditions and COVID-19, and supply chain delays exacerbated by extreme weather in SE Queensland.
- Copper production for the quarter was below plan and lower quarter-on-quarter, reflecting lower mined grades partly a result of operating plan adjustments to manage the impact of labour availability constraints.
- Quarterly revenue remained strong, with consistent zinc production quarter-on-quarter and continuing strong commodity prices, particularly for zinc, largely offsetting lower metal sales.
- Both operations continue to manage costs, with site costs flat quarter-on-quarter, after adjusting for higher capitalised development, despite the challenging conditions. Unit costs increased, largely as a result of lower copper metal sold.
- While capital was higher than plan, reflecting additional capitalised development (all of which reports to AISC), the increase was offset by a decrease in mining costs.
- Continued delivery of operational de-risking milestones in the quarter, including:
 - at Golden Grove, completion of the Hougoumont-Oizon-Xantho Extended ('**HOX**') link, enabling a one-way traffic system in this area of the mine and extension of fresh air raises to Xantho Extended ('**XE**') at depth; and
 - at Capricorn Copper, raise boring of the Esperanza South ('**ESS**') sub-level cave ventilation raise was completed as well as several surface water diversion projects.
- Completed the previously announced transition of Capricorn Copper processing operations and maintenance team "in-house". 29Metals also transitioned the paste plant operations team in-house at Capricorn Copper.
- Updated Mineral Resources and Ore Reserves estimates published, including a more than 100% increase in estimated contained metal at Cervantes at Golden Grove following the successful 2021 Cervantes drilling program.
- Continued investment in organic growth, including commencement of the 2022 field program at Redhill in Chile.
- Updates to guidance provided for zinc treatment charges ('**TC**'), and adjustments to reflect offsetting changes in capitalised development and mining costs. Production guidance range maintained subject to market and operating conditions. Refer to COVID-19 update and guidance commentary on page 3 of this report.

Summary

	Unit	Mar-Qtr 2021	Dec-Qtr 2021	Mar-Qtr 2022	2022 Guidance
TRIFR ¹	/mmhrs	8.7	12.4	13.3	N/a
LTIFR ¹	/mmhrs	0.4	0.7	1.0	N/a
Copper produced	kt	7.2	13.0	9.3	39 – 46
Zinc produced	kt	7.7	12.1	12.2	55 – 65
Gold produced	koz	5.1	8.8	5.1	27 – 34
Silver produced	koz	237.0	531.5	339.5	1,370 – 1,640
Cu-eq production ²	kt	11.6	20.3	15.8	N/a
C1 Costs	\$m	73	59	67	N/a
C1 Costs	US\$/lb Cu sold	3.70	1.67	2.26	N/a
AISC	\$m	99	107	107	N/a
AISC	US\$/lb Cu sold	5.03	3.03	3.62	N/a
Average copper price ³	US\$/lb	3.88	4.40	4.55	N/a
Average exchange rate	AUD:USD	0.773	0.729	0.725	N/a
Capital ⁴	\$m	21	37	29	97 – 129 ⁵

¹ Shown as the 12-month moving average at the end of each Qtr. Dec-Qtr 2021 TRIFR restated following review and re-classification of an incident in November 2021 (previously, Dec-Qtr 2021 TRIFR reported as 12.1/mmhrs).

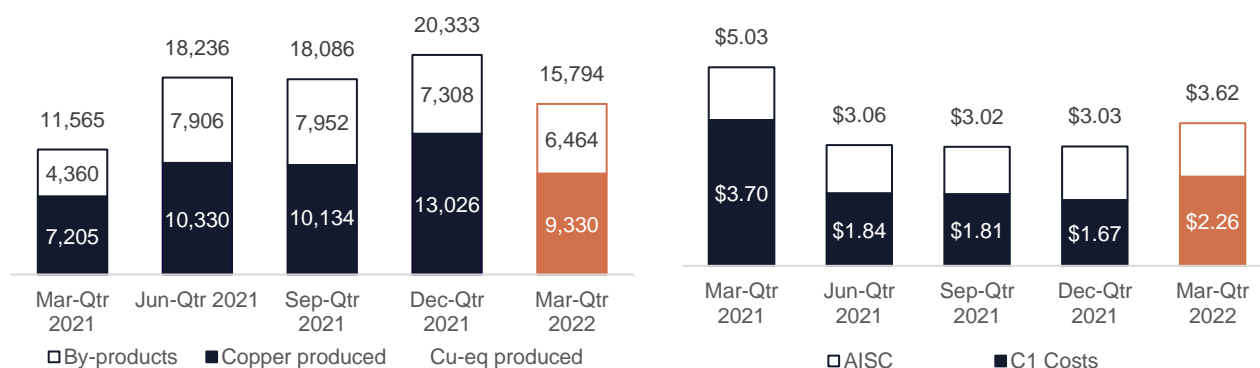
² Cu-eq production for the Mar-Qtr is calculated applying average LME metal prices (Cu US\$9,997/t, Zn US\$3,751/t, Au US\$1,878/oz, Ag US\$24/oz, Pb \$2,335/t (Source: FactSet)) and actual recoveries (refer to Appendix 1).

³ Average copper price excludes final invoice, unrealised quotational pricing adjustments ('**QP**') and hedging.

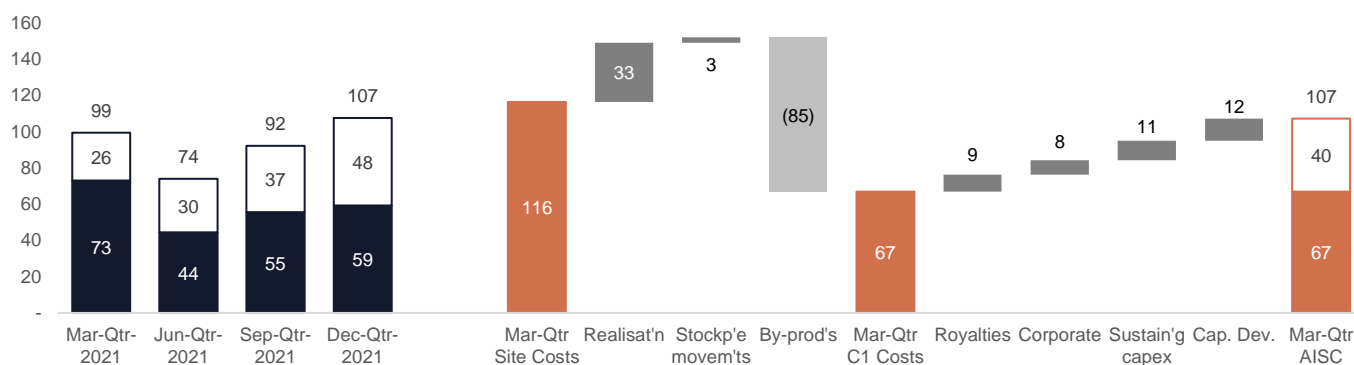
⁴ Capital guidance range is the sum of updated guidance for development, sustaining, and growth capital, and Group exploration.

⁵ Updated guidance range shown – refer to page 3 for guidance commentary.

Group Production (tonnes) and unit costs (US\$/lb payable Cu sold)



Mar-Qtr Group AISC build (A\$ million)



¹ Site costs are the aggregate of mining, processing, and G&A expenses, and realisation costs are the aggregate of concentrate transport costs and TCRC (refer to Appendix 2).

Commenting on the Mar-Qtr, Managing Director & Chief Executive Officer, Peter Albert, said:

"Whilst our March quarter production was not quite what we had planned, given the atypical external impacts on our business I am pleased with the performance achieved by our teams, and our outlook remains positive.

A combination of factors made the Mar-Qtr challenging, notably the impact of COVID-19 absenteeism compounded with continuing labour market tightness, and supply chain disruptions. These impacts, in addition to the seasonal challenges of heat and summer rains, and extraordinary weather conditions on the east coast, impacted production adversely.

To manage COVID-19 absenteeism we made short term adjustments to operating plans to prioritise production activity where possible with available resources. This enabled 29Metals to mitigate the impact, but production performance overall was below plan while substantially above the prior corresponding period.

Our COVID-19 Management plans have been effective to-date, enabling 29Metals to limit transmission of COVID-19 on both operating sites following the first reported cases early in the quarter. COVID-19 management, and ensuring our people are physically and mentally safe on site remains a key priority.

Costs were effectively flat quarter-on-quarter, despite the above factors. Overall, the direct cost impact of COVID-19 and other external factors has been managed well to-date.

External market factors have seen increasing zinc prices as well as sustained strong copper prices, notwithstanding there has been some partial offset as a result of adjustments to zinc treatment charges.

During the quarter we published our updated Mineral Resources and Ore Reserves estimates, confirming a ten-year plus mine life at both our operating sites. The investment in 29Metals' organic growth continues, including our first field campaign at Redhill and commencement of studies examining the opportunity to bring Cervantes and Gossan Valley into the mine plan at Golden Grove.

We were also pleased to release our first Annual Report, including our Sustainability & ESG Report, subsequent to the quarter, and are looking forward to our first AGM on 24 May 2022.

COVID-19 update

As reported at the full year, 29Metals recorded its first cases of COVID-19 on-site at Capricorn Copper and Golden Grove during the quarter. 29Metals' COVID-19 Management Plans were effective in preventing significant transmission on site.

Despite successfully containing transmission on site, the continuing direct and indirect impact of COVID-19 escalated during the Mar-Qtr. In particular, the direct impact of *close contact* isolation requirements, which differs between States, resulted in increases in short term absenteeism. COVID-19 related absenteeism recorded for the quarter was approximately 1,200 shifts at Golden Grove and 200 shifts at Capricorn Copper, an average shift loss of approximately 6%, particularly effecting the underground workforce.

The absolute difference in lost shifts between Golden Grove and Capricorn Copper partly reflects total workforce numbers and different close contact requirements, along with the rate of community transmission, in Western Australia and Queensland (respectively).

COVID-19 related absenteeism, combined with continuing tight labour market conditions (particularly in Western Australia) required adjustments to short-term operating plans to prioritise activity with available resources, resulting in lower development advance, lower total ore movements to surface, delays to production of higher-grade material and lower diamond drill meters.

Indirect COVID-19 impacts during the Mar-Qtr included impacts on supply chains where labour availability has resulted in delays to delivery of key operating consumables. At Capricorn Copper, supply chain delays were exacerbated in the Mar-Qtr by severe weather and flooding in south-east Queensland and northern New South Wales, effecting deliveries of binding agents (i.e., cement) for paste fill operations.

The continuing direct and indirect impacts of COVID-19 (alone, and in combination with other external factors) remain volatile and difficult to predict. 29Metals will continue to manage COVID-19 related risks, including continuing enhanced communication with the workforce. The Company is closely monitoring the well-being and workload of the workforce at sites.

Guidance update¹

Following the Mar-Qtr, 29Metals provides the following updated guidance for treatment and refining charges ('TCRC') and an adjustment to capitalised development and mining costs.

- **TCRC:** Updated for increases in TC for zinc concentrate, settled post the Mar-Qtr at US\$230/t (2021: US\$159/t), reflecting zinc smelter capacity constraints, and TC escalators linked to the zinc price.²
 - Golden Grove - \$68 – 85 million (original 2022 guidance: \$43 – 50 million)
 - Group - \$81 – 101 million (\$56 – 66 million).Refer to the section 'hedging and zinc concentrate offtake arrangements' for further detail.
- **Capitalised development:** Adjusted to reflect increased capitalised development at Golden Grove as a result of short-term changes to operating plans to manage temperature restrictions at depth and labour availability constraints, with an offsetting reduction in mining costs.
 - Golden Grove – capitalised development is adjusted to \$21 – 25 million (original 2022 guidance: \$16 – 20 million), and mining costs decreased to \$195 – 225 million (\$200 – 230 million)
 - Group – capitalised development and mining costs guidance is adjusted correspondingly.

29Metals maintains its full year metal production guidance range. The March quarter result, combined with the challenging conditions described in this report, has put pressure on full year metal production which is now expected to be in the lower half of the guidance range.

29Metals notes that guidance (as updated above) assumes that the direct and indirect impacts of COVID-19 and the other compounding external factors experienced in the Mar-Qtr do not continue for an extended period. In this regard, 29Metals assumes a steady reduction in COVID-19 related absenteeism following the announcement of easing of close contact restrictions in some States, and indications that others may follow, which would be anticipated to soften COVID-19 absenteeism and related indirect impacts.

¹ Guidance is subject to market and operating conditions. Refer to important information regarding forward looking statements set out on page 16 of this report.

² Refer to the Corporate section of this report for further information regarding zinc TC.

Sustainability & ESG

Corporate

- 29Metals released its first-ever Sustainability & ESG report in its 2021 Annual Report on 21 April 2022. In addition to setting out 29Metals' sustainability and ESG performance in 2021 and priorities for 2022, the report also included:
 - the launch of 29Metals' *Our Approach to Sustainability & ESG*; and
 - 29Metals' roadmap to reporting aligned to the Taskforce on Climate-related Financial Disclosures ('TCFD') recommendations.

A standalone version of the 2021 Sustainability & ESG Report ³ is available on 29Metals' website at <https://www.29metals.com/sustainability>.

- During the quarter, 29Metals implemented changes to further reflect the importance of Sustainability & ESG to 29Metals' business, including:
 - the Board's standing Health, Safety, Environment & Community Committee was changed to the *Sustainability Committee*; ⁴ and
 - the role of Clifford Tuck (previously, General Counsel & Company Secretary) was expanded to include Sustainability & ESG. In his expanded role as Chief Governance & Legal Officer, Clifford, continuing to work closely with the other executives and the Board, has accountability for the Company's Sustainability & ESG strategy.

Group

- During the quarter, 29Metals continued its focus on health and safety with a number of additional resources deployed at each operating site to assist the site Management teams in improving safety performance, with minor and low potential injuries continuing to be reflected in higher TRIFR results for the quarter. A single lost time injury event at Golden Grove during January also contributed to a higher LTIFR for the quarter.
- The first stage of a project to align the critical risk management framework across the Group was completed. This project will be a major focus through the year. The Company is also implementing an updated integrated HSEC Management System to reinforce consistent minimum requirements across the Group. An independent audit against these Standards was completed at Capricorn Copper in March.

Golden Grove

- Flora survey documents were completed for the proposed TSF4 location, which is being progressed as part of the life-of-mine tailings management strategy.
- Yalgoo Shire acknowledged the mine's assistance with community COVID-19 testing.
- The Bayalgu Indigenous pre-employment traineeship program recommenced during the quarter, whereby 29Metals is supporting four TAFE places. The trainees participated in restoration works at the historic Muralgarra Homestead, completed during the quarter, and the installation of solar generated power for water pumping infrastructure.

Capricorn Copper

- Management of site water inventory remained a priority, with projects to reduce clean surface run-off water entering the site completed (refer to Key Projects section in this report for further information) and release of treated water under the current Environmental Protection Order ('EPO') conditions.
- During the quarter, Capricorn Copper also commenced the transition to a Progressive Rehabilitation and Closure Plan ('PRCP') under the updated scheme first announced by the Queensland Government in late 2019. Under the transition process, Capricorn Copper is required to submit its detailed PCRCP schedule to the Queensland Department of Environment and Science ('DES') by 1 June 2024.

³ The standalone version of the 29Metals 2021 Sustainability & ESG Report includes additional GRI reporting tables.

⁴ A copy of the updated Sustainability Committee charter is available on the 29Metals website at <https://www.29metals.com/about/corporate-governance>.

Golden Grove Operations

	Unit	Mar-Qtr 2021	Dec-Qtr 2021	Mar-Qtr 2022	2022 Guidance
TRIFR ¹	/mmhrs	8.7	11.5	14	N/a
LTIFR ¹	/mmhrs	0.0	0.0	0.6	N/a
Copper produced	tonnes	2,799	5,307	4,099	15,000 – 19,000
Zinc produced	tonnes	7,720	12,126	12,235	55,000 – 65,000
Gold produced	ounces	5,093	8,795	5,055	27,000 – 34,000
Silver produced	ounces	188,214	458,925	288,335	1,050,000–1,250,000
Lead produced	tonnes	211	775	467	2,000 – 3,000
Cu-eq production ²	tonnes	7,008	12,441	10,441	N/a
C1 Costs	US\$/lb Cu sold	3.84	0.60	0.93	N/a
AISC	US\$/lb Cu sold	5.79	2.38	2.37	N/a

¹ Data shown is the 12-month moving average at the end of each quarter.

² Cu-eq production for the Mar-Qtr is calculated applying average LME metal prices (Cu US\$9,997/t, Zn US\$3,751/t, Au US\$1,878/oz, Ag US\$24/oz, Pb \$2,335/t (Source: FactSet)) and actual recoveries (refer to Appendix 1).

Mining

Mine production was split between Gossan Hill and Scuddles, approximately 75:25 during the Mar-Qtr, with 399kt ore mined (Dec-Qtr: 384kt). Lower activity in Scuddles for the quarter was associated with planned upgrades to ventilation fans at the lower levels of the mine and priority to Gossan Hill activity levels given personnel challenges associated with COVID-19 absenteeism.

Activities for the quarter at Gossan Hill continued to focus on XE development, ventilation upgrades, and ongoing installation of the underground paste fill reticulation system. Following the first XE stope being brought into production in the Dec-Qtr, a further key milestone occurred with the breakthrough of the HOX decline enabling a one-way traffic system in this area of the mine.

XE decline advance was 143m for the Qtr (Dec-Qtr: 167m), with development resources focused on completion of the HOX link decline. Overall development activity levels were lower due to labour shortages and temperature restrictions at depth, notably at XE. Ventilation upgrade activities progressed at XE (refer to Key Projects).

Consistent delivery of cemented hydraulic fill underground was sustained through the quarter.

Mined tonnes matched milled tonnes, maintaining surface ore stockpile balances.

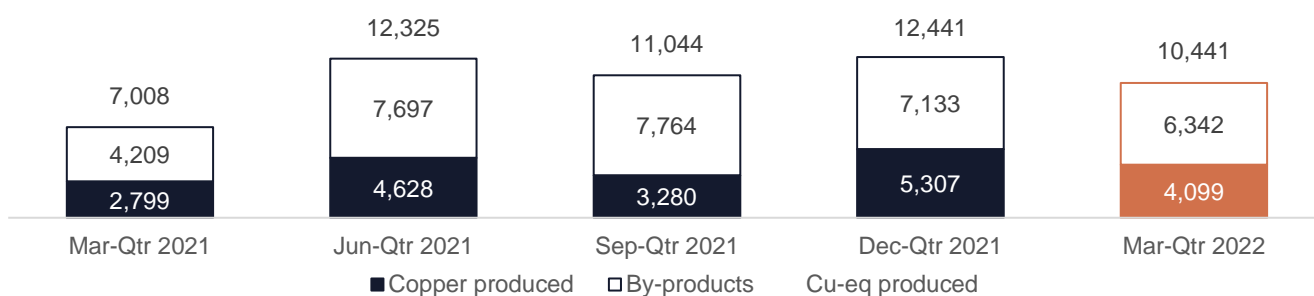
Processing

Ore tonnes treated of 394kt (Dec-Qtr: 365kt) was an improvement on the prior period, reflecting the constraint on mill throughput to manage the rate of tailings deposition in October and November prior to completion of Lift 5 on TSF1.

Metal production reflects the higher weighting of zinc and associated precious metals to the second half of the year.

Recoveries during March were negatively affected by failure of the zinc regrind mill. The impact on recovery is estimated to be 4% for zinc and 1% for copper while the regrind mill is down. It is anticipated the regrind mill will be back in operation during the Jun-Qtr.

Quarterly production¹ (tonnes)



¹ Cu-eq production is based on average LME metal prices for the relevant period (source: FactSet) and actual recoveries.

Costs

Site Costs of \$72 million (Dec-Qtr \$74 million), inclusive of COVID-19 direct costs (RAT Testing, additional nursing personnel, and other additional support staffing) and higher diesel prices but before capitalised development expenditure were marginally down on the prior quarter.

C1 Costs of \$10.5 million include a \$2.4 million stockpile credit reflecting timing differences between production and sales. TCRC of \$17.6 million were consistent with the prior period (Dec-Qtr: 17.6 million), as higher TC for zinc concentrate were offset by lower payable metal sold.⁵ By-product credits of \$83.6 million (Dec-Qtr: \$90.5 million) primarily comprised zinc concentrate sales.

Growth capital of \$3.3 million relates to work on the paste plant. Sustaining capital of \$2.7 million relates primarily to spend on TSF construction activities and mining infrastructure including ventilation.

Capricorn Copper Operations

	Unit	Mar-Qtr 2021	Dec-Qtr 2021	Mar-Qtr 2022	2022 Guidance
TRIFR ¹	/mmhrs	8.8	14.1	12.5	N/a
LTIFR ¹	/mmhrs	1.1	1.9	1.8	N/a
Copper produced	tonnes	4,405	7,718	5,231	23,000 – 27,000
Silver produced	ounces	48,813	72,566	51,139	320,000–390,000
Cu-eq production ²	tonnes	4,556	7,893	5,353	N/a
C1 Costs	US\$/lb Cu sold	3.61	2.47	3.07	N/a
AISC	US\$/lb Cu sold	4.30	3.20	3.94	N/a

¹ Data shown is the 12-month moving average at the end of each quarter. Capricorn Copper Dec-Qtr 2021 TRIFR restated following review and re-classification of an incident in November 2021 (previously, Capricorn Copper Dec-Qtr 2021 TRIFR reported as 13.1/mmhrs).

² Cu-eq production for the Mar-Qtr is calculated applying average LME metal prices (Cu US\$9,997/t, Ag US\$24/oz (Source: FactSet)) and actual recoveries (refer to Appendix 1).

Mining

Mining continued from all three orebodies (ESS, Mammoth and Greenstone) during the Mar-Qtr. Ore mined for the quarter was 419kt (Dec-Qtr: 471kt). Lower material movements reflect the impact of weather interruptions and COVID-19 related absenteeism.

Mined grade was lower, driven by a combination of delays mining higher grade draw points at ESS and discrete areas of hanging wall dilution. Lower grade material was substituted as a result of short-term changes in operating plans to manage COVID-19 absenteeism, particularly in drill and blast crews.

Mine development activities in the Mar-Qtr continued to focus on maintaining multiple production fronts, particularly at ESS and Mammoth. To improve production capacity in Mammoth G-Lens, a new fresh air raise was completed during the quarter, with installation of ventilation infrastructure underway.

Processing

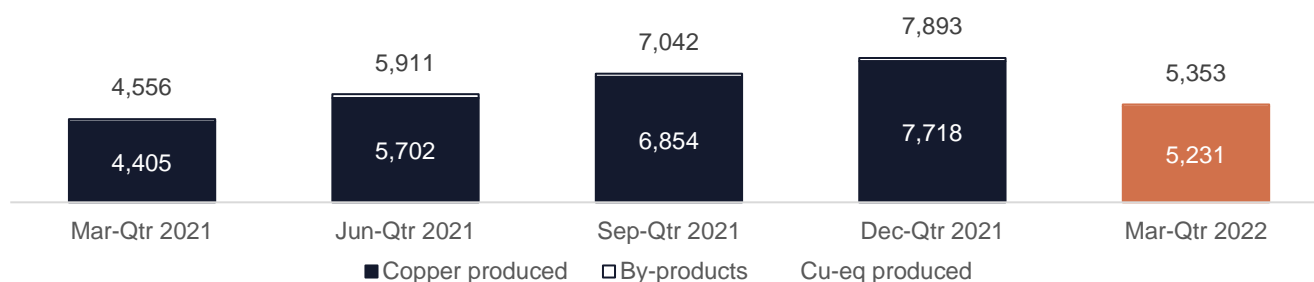
Ore tonnes milled for the Mar-Qtr was lower at 417kt (Dec-Qtr: 437kt), reflecting a combination of a planned SAG mill reline undertaken in February and unplanned downtime mainly associated with power outages.

Lower copper metal production quarter-on-quarter reflects the lower tonnage treated as well as lower feed grade and associated recovery.

During the Qtr, the previously announced transition of the processing operations and maintenance team to in-house was successfully completed. 29Metals also transitioned the surface paste fill plant team in-house during the quarter.

Deposition of tailings into the Esperanza tailings storage facility ('**ETSF**') commenced during the period.

Quarterly production¹ (tonnes)



¹ Cu-eq production is based on average LME metal prices for the relevant period (source: FactSet) and actual recoveries.

⁵ Refer to the Corporate section of this report for further information regarding zinc TC.

Costs

Site Costs reduced to \$44 million (Dec-Qtr: \$46 million), reflecting lower tonnes mined and processed.

C1 Costs were \$56 million (Dec-Qtr: \$50 million) and included a \$5 million stockpile movement charge (Dec-Qtr: \$4 million credit), reflecting timing differences between production and sales.

Sustaining capital increased to \$8 million (Dec-Qtr: \$7 million), primarily reflecting construction works on the ETSF lift, and surface water diversion projects.

Higher quarter-on-quarter C1 Costs and AISC unit costs for the quarter reflect the C1 Costs and AISC outcomes above, and reduced copper sales of 6.0kt (Dec-Qtr: 6.7kt).

Key Projects

Golden Grove

- **Paste fill plant:** The additional drilling required to finalise the second paste hole is now complete. Construction of the plant is now well underway with civil works largely complete. Plant commissioning remains on track for the Jun-Qtr.
- **XE ventilation upgrades:** Breakthrough of the HOX decline was achieved during the quarter. The HOX link will enable improvement to both the truck haulage route and ventilation circuit at XE. Fresh air raises were also progressively extended to depth, with surface chilled air planned to be delivered directly to the lower XE working fronts in the Jun-Qtr. Orders were also placed for an additional surface chiller (to replace an existing rental unit) and 2 x 1MW underground booster fans. The ventilation upgrades are planned to be commissioned later in 2022 having been brought forward from 2023 to support improved productivity at XE at depth



Progress of paste fill plant construction at Golden Grove.

- **Tailings capacity expansion:** Deposition continues into TSF1 Lift 5A whilst the final detailed design work for the 5B lift is finalised. Construction of the 5B Lift is expected to commence late in the Jun-Qtr.
- **Gossan Valley / Cervantes:** Following the successful Cervantes drilling program in 2021, 29Metals has commenced studies for the development of the Cervantes deposit, one of 29Metals' in-mine and near-mine organic growth opportunities at Golden Grove. In parallel optimisation activities related to Gossan Valley continued. 29Metals is targeting completion of relevant studies in the September quarter.

Capricorn Copper

- **Surface water management:** Capricorn Copper has completed a temporary surface water run-off diversion around the subsidence zone of the ESS cave. The diversion is a risk mitigation measure for extreme rainfall events. The current extent of subsidence does not intersect surface water courses. 29Metals expects to submit its application for approval to construct a permanent water diversion early in the Jun-Qtr.

Additionally, two surface water diversions were completed upstream of existing waste dumps. These diversions prevent water seeping through the waste dumps and contributing to the mine affected water balance. The diversions intercept water in high-density polyethylene lined pools and the clean surface water is then redirected offsite.



Completion of surface water diversion infrastructure at Capricorn Copper; full following rainfall (LHS) and subsequently pumped dry (RHS).

- **ESS ventilation upgrade:** Raise boring activities have been completed on the 5m diameter 282m deep surface to underground return air rise. Sprayed concrete shaft lining will be applied in specific areas and on weathered rock nearer the surface during the Jun-Qtr 2022. Fans are currently being fabricated, with installation and commissioning planned during the Sep-Qtr 2022.



Breakthrough of vent raise at ESS.

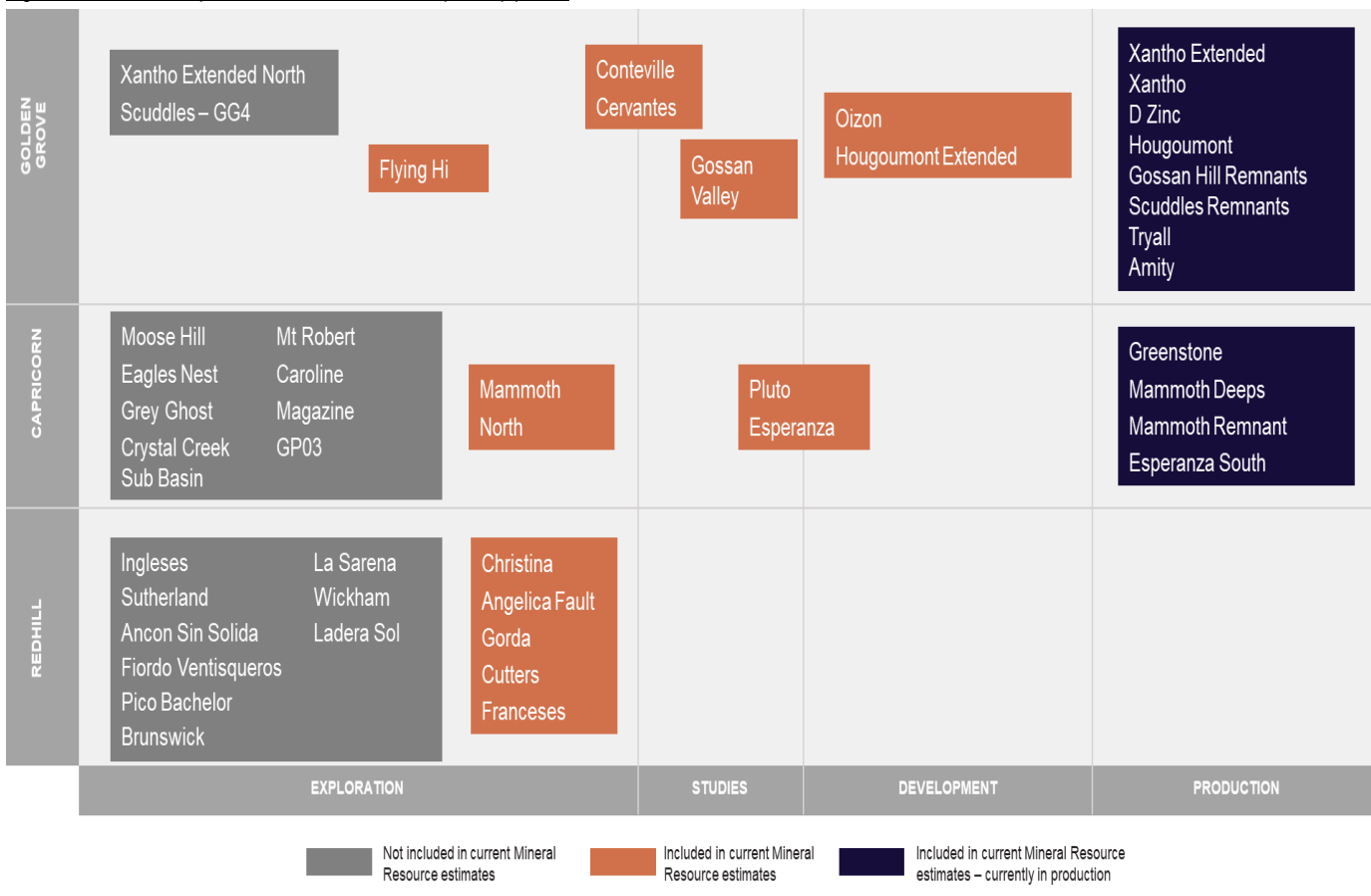
- **ETSF lift:** Construction of the ETSF lift of 3m is complete. Deposition of tailings commenced in late January. The deposition of tailings is managed through a system of pipes and spigots, and the decanting of surface water off the tailings is functioning and pumping to three evaporators. Completion of the lift provides tailings capacity into 2023. Engagement with the Department of Environment and Science (the 'DES') regarding future tailings capacity have commenced.

Exploration

Drill testing of areas identified for organic growth potential continued at both Capricorn Copper and Golden Grove, and field work at Redhill commenced in the quarter with work planned to continue into the Jun-Qtr.

Exploration and Resource Development Pipeline

Figure 3 – 29Metals’ exploration and resource development pipeline.



Golden Grove

During the Mar-Qtr:

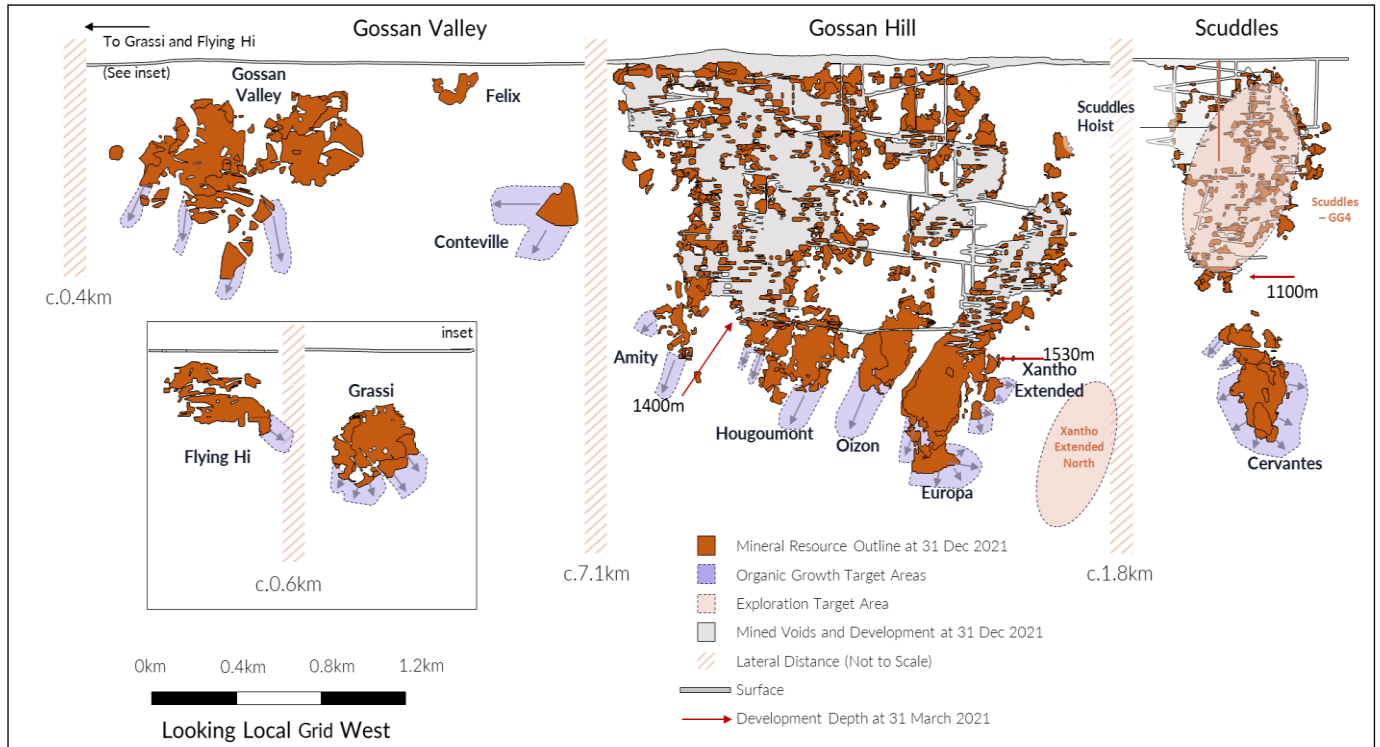
- 4,162m of underground drilling took place at Cervantes (resource conversion and extension), Amity (resource extension), Xantho (resource conversion), Scuddles-GG4 (Exploration); and
- 159m of surface diamond drilling occurred at Conteville (resource extension), which is located 1.1km north of Gossan Valley.

Productivity was below expectations for the quarter due to delays in the timing of the surface rig mobilisation and underground manning issues due to COVID-19 absenteeism.

Drilling at Cervantes and Conteville will continue in the Jun-Qtr. Other areas of planned drilling include resource conversion drilling at XE.

Drilling of the Amity and Scuddles-GG4 target areas will resume upon completion of the Cervantes drill program expected to occur in the Sep-Qtr.

Figure 4 – Golden Grove long section (illustrative)



Drill core samples from Xantho Extended showing massive chalcopyrite, and sub-massive sphalerite and pyrite.

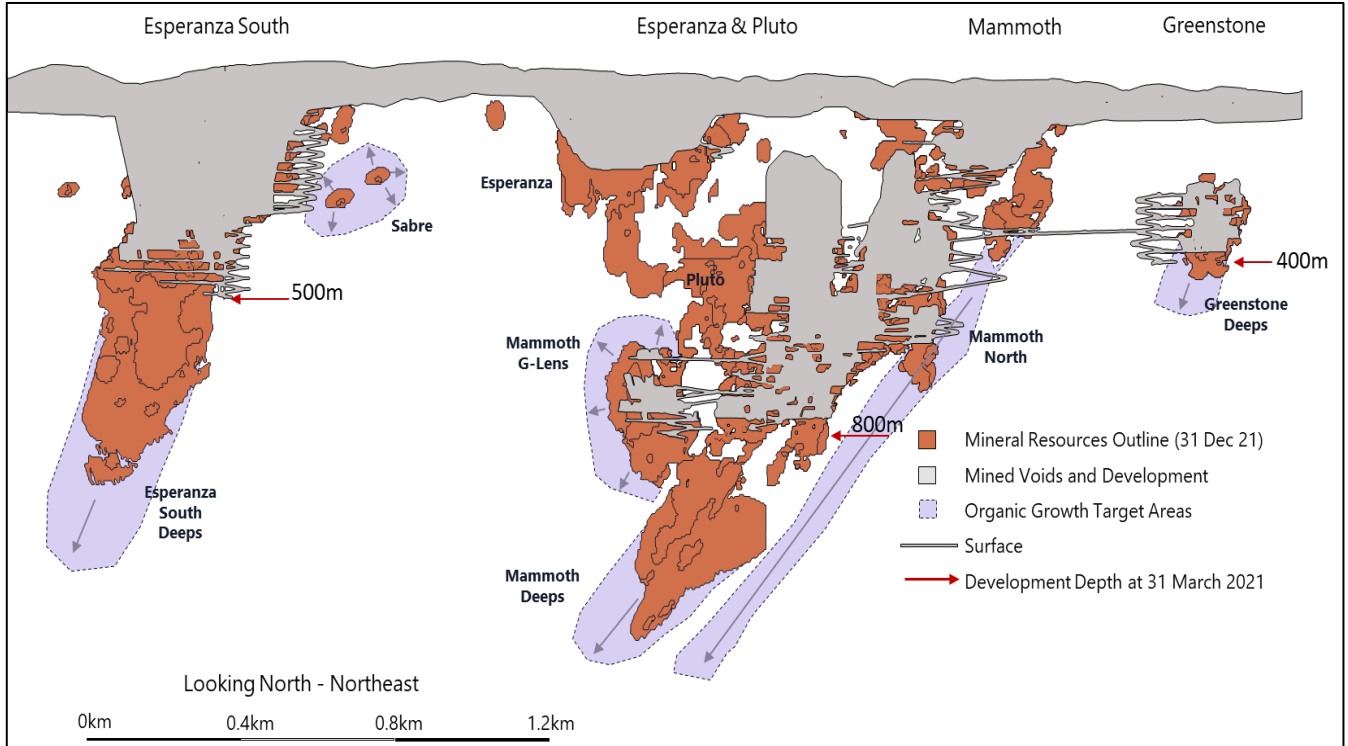
Capricorn Copper

During the Mar-Qtr:

- 3,839m of underground resource conversion and extension drilling took place at Greenstone, ESS, Mammoth North, and Mammoth G Lens; and
- 3,247m of surface diamond drilling occurred at ESS Deeps (resource conversion)

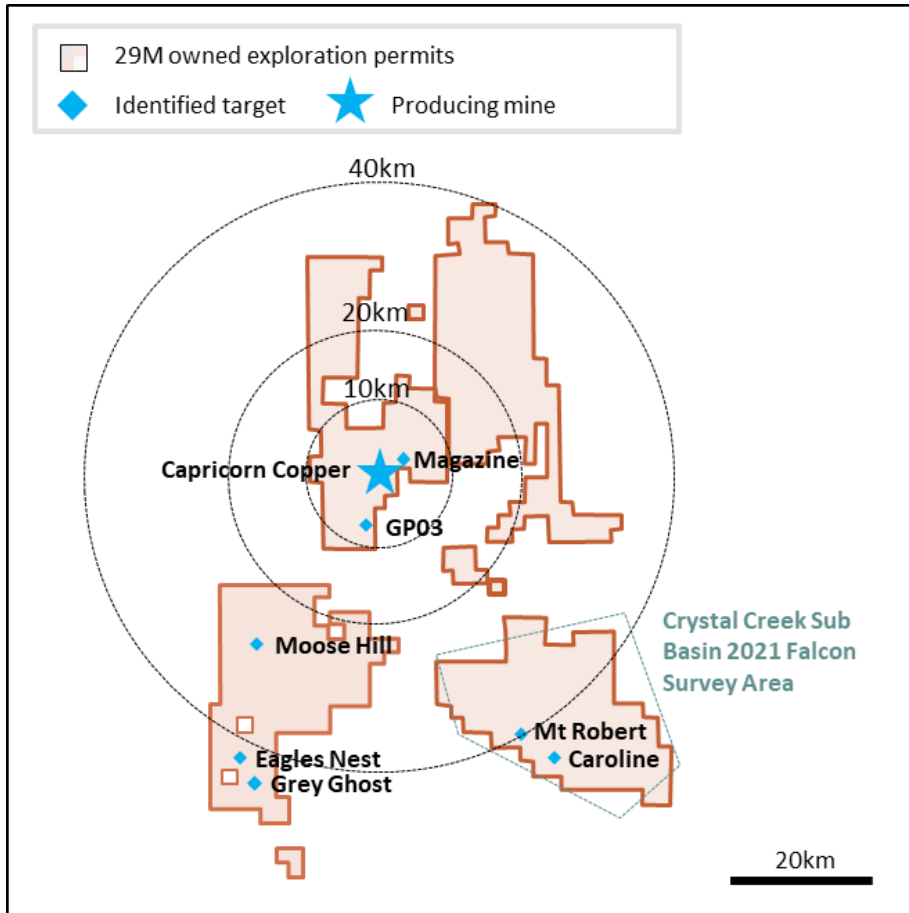
Drilling at ESS is planned to continue in the Jun-Qtr and will be a combination of resource conversion and extension. Other areas of planned drilling in the Jun-Qtr are Greenstone (resource conversion and extension), ESS (resource conversion), and Mammoth North (resource extension).

Figure 5 – Capricorn Copper long section (illustrative)



Regionally, initial reverse circulation ('RC') drill testing of Eagles Nest and Grey Ghost is planned to take place in the June and September quarters. Eagles Nest is a coherent copper in soil anomaly associated with east-west faulting, while Grey Ghost is a coherent lead in soil anomaly. The targets are located within 2km of one another, and approximately 44km south-west of the Capricorn Copper mine site.

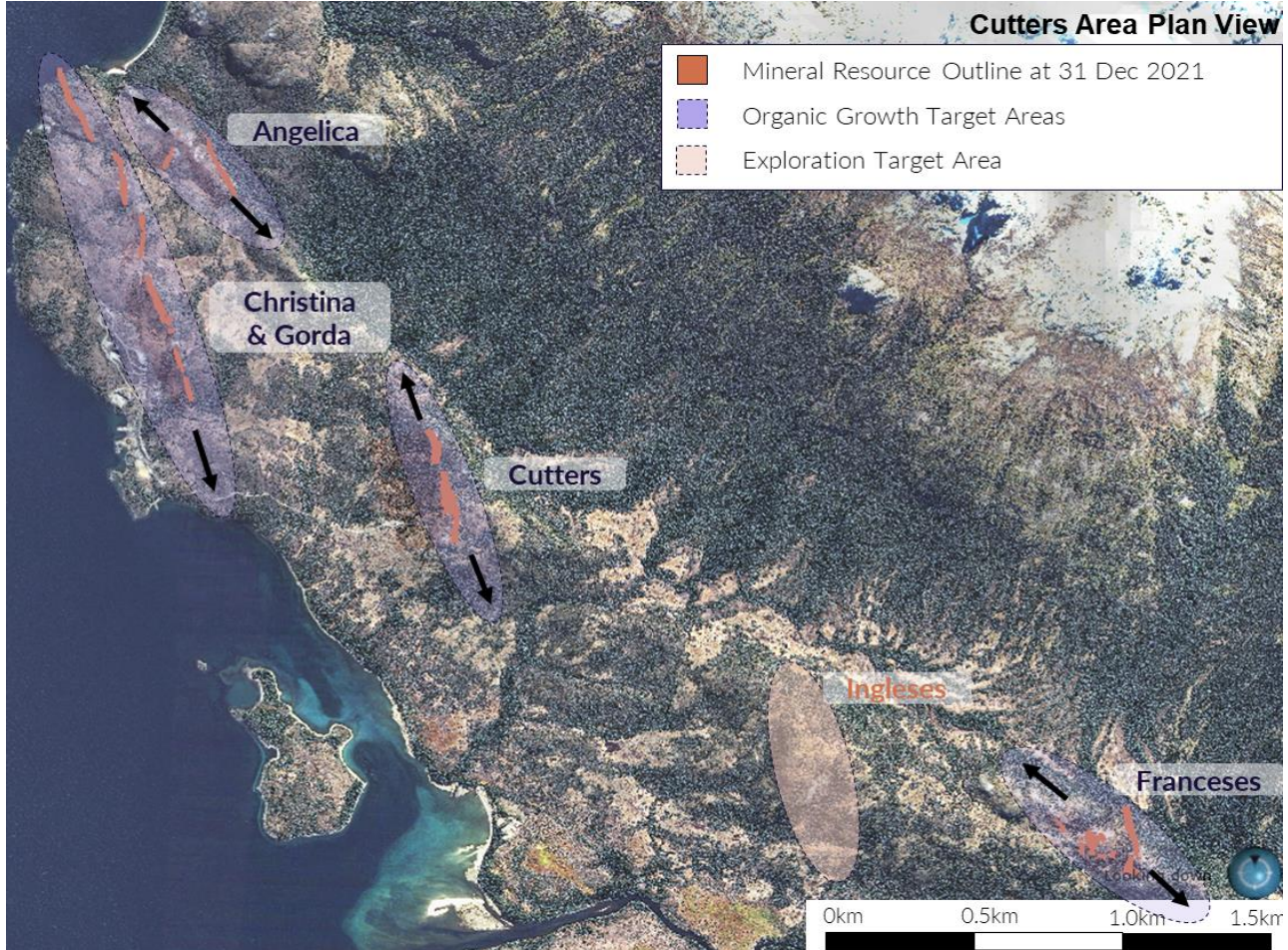
Figure 6 – Capricorn Copper – key targets for exploration



Redhill

Field activities are underway at Redhill with crews undertaking field sampling using portable drills, as well as high resolution drone-based magnetics surveys. To-date, rock samples have been collected along strike of the Gorda, Christina, and Cutters veins, with assay results pending. Work will continue in the Jun-Qtr in the priority areas adjacent to the Gorda, Christina, Angelica, and Cutters veins.

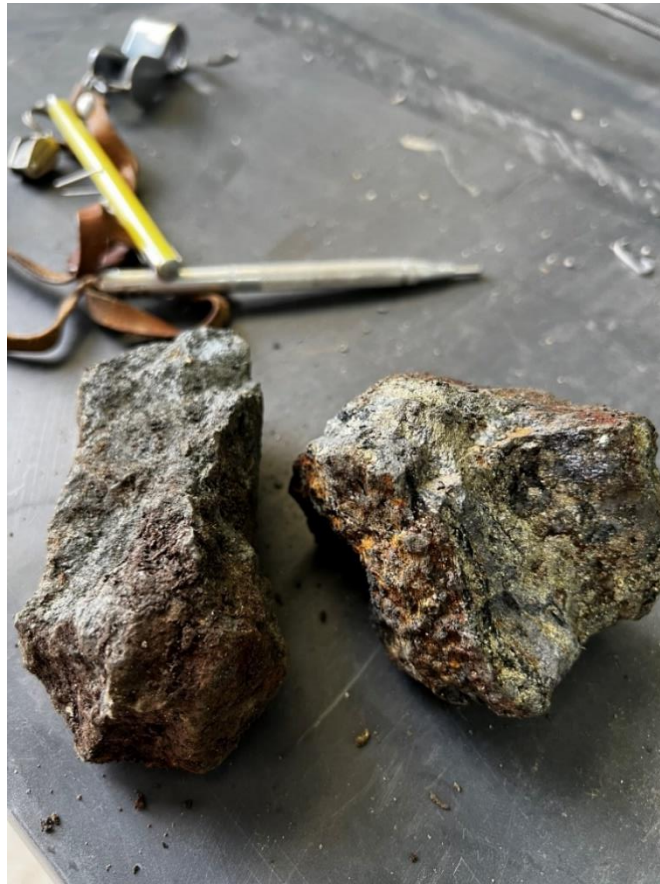
Figure 7 – Cutters Area plan view



A drone mounted high resolution magnetics survey over 12km² of the Cutters area has also been completed with results and interpretation expected early in the Jun-Qtr.



Drone based magnetics survey at Cutters (LHS). Example of vein style mineralisation intersected using portable small drills. Quartz Carbonate Vein hosting chalcopyrite and pyrite mineralisation (RHS).



Quartz vein hosting chalcopyrite, pyrite, galena and rare sphalerite mineralisation from the outcropping Christina vein at the Cutters Project.

Corporate

Revenue

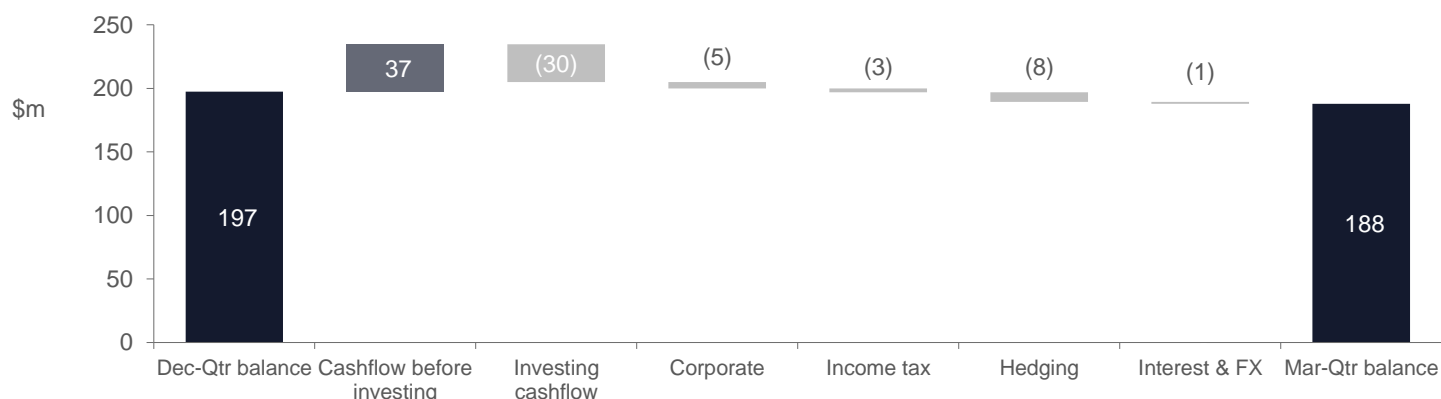
29Metals' Gross Revenue for the Mar-Qtr, inclusive of final invoice and unrealised QPs, but excluding hedging gains/losses and TCRC, is shown in the table below.

	Unit	Mar-Qtr 2021	Dec-Qtr 2021	Mar-Qtr 2022	2022-YTD
Total Gross Revenue	\$m	119.8	259.7	232.0	232.0
Golden Grove	\$m	69.4	162.7	138.6	138.6
- Copper	\$m	34.7	69.2	50.9	50.9
- Zinc	\$m	24.8	62.0	60.4	60.4
- Gold	\$m	6.5	18.2	13.9	13.9
- Silver	\$m	5.2	8.1	7.6	7.6
- Lead	\$m	0.0	0.0	(0.2)	(0.2)
- Unrealised QP gains/(losses)	\$m	(1.7)	5.2	6.2	6.2
Capricorn Copper	\$m	50.4	97.0	93.4	93.4
- Copper	\$m	53.9	89.7	85.7	85.7
- Silver	\$m	1.4	1.9	1.4	1.4
- Unrealised QP gains/(losses)	\$m	(4.9)	5.4	6.3	6.3

Drawn Debt and cash balances

29Metals' unaudited cash balance on 31 March 2022 was \$188 million (Dec-Qtr: \$197 million, audited).

Figure 6 – Group Cash Balance Bridge (Mar-Qtr 2022, unaudited)



- Cashflow before investing is shown prior to adjustments for AASB16 lease accounting.
- Investing cashflow payments include payments for property, plant, and equipment, capitalised mine development, and exploration.
- Mar-Qtr 2022 balances are unaudited cash and cash equivalents, excluding EMR Capital IPO proceeds retained by 29Metals under the "Cash Backed Indemnity" arrangements described in section 10.6.12.3 of the 29Metals Prospectus dated 21 June 2021 (a copy of which was released to the ASX announcements platform on 2 July 2021), and cash balances set aside for rental security deposits.

Cashflow before investing of \$37 million was impacted by working capital movements, with sales receipts being lower than Revenue in the Mar-Qtr. As a result, receivables increased by approximately \$30 million during the Mar-Qtr attributable to timing of receipts and increasing prices during the quarter, particularly in relation to zinc sales.

Income tax of \$3m was paid during the Mar-Qtr reflecting timing differences. Tax payments are expected to reverse during the year following submission of Group tax filings, consistent with full year guidance.

Final settlement of stamp duty in relation to the acquisition of Golden Grove remains outstanding. 29Metals continues to liaise with State Revenue officials in Western Australia to seek conclusion of the assessment process. 29Metals understands that the delay is administrative in nature. 29Metals' full year financial results for the year ended 31 December 2021 included a \$26.4 million provision for stamp duty.

During the Mar-Qtr, 29Metals cash settled 1,596 tonnes of copper hedges (in the aggregate) at Capricorn Copper in relation to January and February 2022, and 4,082 ounces of gold hedges (in the aggregate) at Golden Grove in relation to December 2021 and January and February 2022.

Unaudited drawn debt (excluding lease liabilities, and derivative financial assets and liabilities) of US\$150 million is unchanged from 31 December 2021.⁶

Hedging and zinc concentrate offtake arrangements

After settlement of hedges during the quarter (refer above), 29Metals had the following hedges outstanding at 31 March 2022:

	Volume	Average Price	Maturity
Copper (Capricorn Copper)	5,604 tonnes	\$9,000/tonne	Mar-22 – Sep-22
Gold (Golden Grove)	41,684 ounces	\$2,642/ounce	Mar-22 – Sep-25

The pre-IPO zinc concentrate offtake arrangements at Golden Grove in 2022 include approximately:

- 32kt of zinc concentrate sold in the Mar-Qtr with an applicable TC of US\$159/t with a TC escalator determined as 12.5% of the prevailing zinc price above US\$2,050/t of concentrate; and
- 80kt of zinc concentrate to be sold over the Jun-Qtr through Dec-Qtr with an applicable TC of US\$230/t (i.e., benchmark) with a TC escalator of 12.5% of the prevailing zinc price above US\$2,900/t of concentrate.

Beyond 2022, pre-IPO zinc offtake agreements cover 320kt of zinc concentrate over the period ending 31 December 2026. This offtake is subject to zinc TC escalators of 12.5% of the prevailing zinc price above a threshold zinc price ranging between US\$2,050/t and US\$2,900/t over this period.

Production in excess of volumes covered by the pre-IPO zinc concentrate offtake (including in 2022) are expected to be sold at prevailing benchmark TC rates, including benchmark escalators, if any.

Annual Report and AGM

29Metals released its 2021 Annual Report on 21 April 2022, the Company's first annual report following the successful IPO and listing in July 2021. As noted above, 29Metals' 2021 Annual Report includes the Company's first Sustainability & ESG Report.

On 21 April 2022, the Company also released the notice of meeting for 29Metals' first annual general meeting, to be held on 24 May 2022. The 2022 AGM will be held as a hybrid meeting, with shareholders able to attend and participate in person at the Westin Melbourne, or virtually via an online platform.

Copies of the 29Metals 2021 Annual Report and the AGM notice of meeting were released to the ASX announcements platform on 21 April 2022 and are also available via a dedicated AGM page on 29Metals' website at <https://www.29metals.com/investors/agm>.

Mineral Resources & Ore Reserves estimates

29Metals published its 31 December 2021 Mineral Resources and Ore Reserves estimates during the quarter. Combined updated Mineral Resources estimates for the Group of 123.4Mt reflect depletion for the period since the date of the prior estimates and drilling results up to 31 March 2021 at Golden Grove (other than Cervantes which includes drilling results up to 31 December 2021), and drilling results at Capricorn Copper up to 19 May 2021 at ESS and 12 March 2021 at Greenstone. Updated Group Ore Reserves of 25.3Mt reflect depletion (3.4Mt reduction) and mine design updates (2.6Mt addition).⁷

This quarterly report is authorised for release by Peter Albert, Managing Director & Chief Executive Officer.

⁶ Drawn debt excludes bank guarantees issued under the Group's new environmental bonding facility (\$57 million).

⁷ Refer to ASX release dated 11 March 2022 for full details of 29Metals' 31 December 2021 Mineral Resources and Ore Reserves estimates, including competent person statements and JORC Code Table 1 disclosures, a copy of which is available on the 29Metals website at <https://www.29metals.com/investors>.

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, particularly in the current economic climate with the significant volatility, uncertainty and disruption caused directly or indirectly by the COVID-19 pandemic. 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 report includes certain information and data, such as *C1 Costs*, *AISC* and *Cu-eq*, that is 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.

The 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	Non-Executive Chairman
Peter Albert	Managing Director & CEO
Fiona Robertson	Independent Non-executive Director
Jacqueline McGill AO	Independent Non-executive Director
Martin Alciaturi	Independent Non-executive Director

Company Secretary

Clifford Tuck

Registered Office

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Australian Securities Exchange (Ticker: 29M)

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Issued Share Capital

29Metals' issued capital is 481,319,391 ordinary shares.

Appendix 1: Production and sales

	Unit	Mar-Qtr 2022	2022-YTD	2022 Guidance
Golden Grove				
Ore Mined	kt	399	399	1,450 - 1,650
Ore Milled	kt	394	394	1,450 - 1,650
Milled Grade	Cu-eq (%)	3.2%	3.2%	N/a
	Copper (%)	1.2%	1.2%	N/a
	Gold (g/t)	0.7	0.7	N/a
	Zinc (%)	3.8%	3.8%	N/a
	Silver (g/t)	33.4	33.4	N/a
Recovery	Copper (%)	83.4%	83.4%	N/a
	Gold (%)	54.5%	54.5%	N/a
	Zinc (%)	82.8%	82.8%	N/a
	Silver (%)	68.1%	68.1%	N/a
Cu Concentrate Prod. ¹	dmt	20,851	20,851	N/a
	Cu grade (%)	19.4%	19.4%	N/a
	Copper (t)	4,036	4,036	N/a
	Gold (oz)	4,132	4,132	N/a
	Silver (oz)	187,917	187,917	N/a
Zn Concentrate Prod. ¹	dmt	25,323	25,323	N/a
	Zn grade (%)	48.3%	48.3%	N/a
	Zinc (t)	12,235	12,235	N/a
	Gold (oz)	705	705	N/a
	Silver (oz)	63,014	63,014	N/a
HPM Concentrate Prod. ¹	dmt	1,211	1,211	N/a
	Gold (oz)	218	218	N/a
	Silver (oz)	37,403	37,403	N/a
	Copper (t)	63	63	N/a
	Lead (t)	467	467	N/a
Metal Produced	Copper (t)	4,099	4,099	15,000 – 19,000
	Zinc (t)	12,235	12,235	55,000 – 65,000
	Gold (oz)	5,055	5,055	27,000 – 34,000
	Silver (oz)	288,335	288,335	1,050,000 – 1,250,000
	Lead (t)	467	467	2,000 – 3,000
Payable Metal Sold	Copper (t)	3,722	3,722	N/a
	Zinc (t)	11,215	11,215	N/a
	Gold (oz)	5,310	5,310	N/a
	Silver (oz)	236,163	236,163	N/a
	Lead (t)	(9)	(9)	N/a
Capricorn Copper				
Ore Mined	kt	419	419	1,600 – 1,850
Ore Milled	kt	417	417	1,600 – 1,850
Milled Grade	Copper (%)	1.5%	1.5%	N/a
Recovery	Copper (%)	85.2%	85.2%	N/a
Cu Concentrate Prod.	dmt	22,512	22,512	N/a
	Cu grade (%)	23.2%	23.2%	N/a
	Copper (t)	5,231	5,231	23,000 – 27,000
	Silver (oz)	51,139	51,139	320,000 – 390,000
Payable Metal Sold	Copper (t)	5,997	5,997	N/a
	Silver (oz)	42,372	42,372	N/a

¹. Metal volumes cited for Cu, Zn and HPM Concentrate Production includes only those metals that are payable under the relevant concentrate offtake arrangements.

Appendix 2: C1 Costs and AISC

	Unit	Mar-Qtr 2022	2022-YTD	2022 Guidance
Golden Grove				
Mining (excl. CapDev)	\$m	47.0	47.0	195 – 225 ³
Processing	\$m	17.4	17.4	65 – 75
G&A	\$m	7.6	7.6	26 – 32
Concentrate transport	\$m	6.9	6.9	32 – 36
TCRC	\$m	17.6	17.6	68 – 85 ³
Stockpile movements	\$m	(2.4)	(2.4)	N/a
By-products ¹	\$m	(83.6)	(83.6)	N/a
C1 Costs	\$m	10.5	10.5	N/a
Payable copper sold	Mlbs	8.2	8.2	N/a
C1 Costs	\$/lb	1.28	1.28	N/a
C1 Costs	US\$/lb	0.93	0.93	N/a
Royalties	\$m	5.7	5.7	N/a
Sustaining capex	\$m	2.7	2.7	19 – 23
Capitalised development	\$m	7.8	7.8	21 – 25 ³
AISC	\$m	26.8	26.8	N/a
AISC	\$/lb	3.27	3.27	N/a
AISC	US\$/lb	2.37	2.37	N/a
Growth Capital	\$m	3.3	3.3	8 – 10
Capricorn Copper				
Mining (excl. CapDev)	\$m	21.8	21.8	89 – 102
Processing	\$m	13.5	13.5	51 – 56
G&A	\$m	8.5	8.5	28 – 34
Concentrate transport	\$m	5.0	5.0	19 – 22
TCRC	\$m	3.1	3.1	13 – 16
Stockpile movements	\$m	5.4	5.4	N/a
By-products ²	\$m	(1.4)	(1.4)	N/a
C1 Costs	\$m	55.9	55.9	N/a
Payable copper sold	Mlbs	13.2	13.2	N/a
C1 Costs	\$/lb	4.23	4.23	N/a
C1 Costs	US\$/lb	3.07	3.07	N/a
Royalties	\$m	3.6	3.6	N/a
Sustaining capex	\$m	8.2	8.2	25 – 32
Capitalised development	\$m	4.2	4.2	14 – 19
AISC	\$m	71.9	71.9	N/a
AISC	\$/lb	5.44	5.44	N/a
AISC	US\$/lb	3.94	3.94	N/a
Growth Capital	\$m	0.0	0.0	0
29Metals Group				
C1 Costs	\$m	66.8	66.8	N/a
Payable copper sold	Mlbs	21.4	21.4	N/a
C1 Costs	\$/lb	3.12	3.12	N/a
C1 Costs	US\$/lb	2.26	2.26	N/a
Royalties	\$m	9.4	9.4	N/a
Corporate	\$m	7.9	7.9	N/a
Sustaining capex	\$m	10.9	10.9	44 – 55
Capitalised development	\$m	12.1	12.1	35 – 44 ³
AISC	\$m	107.0	107.0	N/a
AISC	\$/lb	4.99	4.99	N/a
AISC	US\$/lb	3.62	3.62	N/a
Growth Capital	\$m	3.3	3.3	8 – 10
Group Exploration	\$m	2.7	2.7	10 – 20
FX rate	AUD:USD	0.725	0.725	N/a

¹ Golden Grove by-products: gold, zinc, silver and lead revenue, net of unrealised QP adjustments.

² Capricorn Copper by-product is silver revenue.

³ Updated guidance range (refer to page 3 of this report).