

September 2021

Quarterly Report

29Metals Limited ('29Metals' or, the 'Company') today reported results for the September 2021 quarter.

Highlights

- Consistent Group Cu-eq¹ production and C1 Costs and AISC in the Sep-Qtr, with Capricorn Copper Cu-eq production increasing 19% and Golden Grove decreasing approximately 10% on the prior quarter.
- Golden Grove's performance was impacted by rescheduling of some zinc stopes into 2022, combined with unseasonal wet weather reducing mill throughput rates, labour availability challenges and cost pressures exacerbated by continuing border closures.
- Capricorn Copper had a strong production quarter with the mine and mill operating at an annualised rate of 2Mtpa once tailings-related throughput constraints were removed. The mine also achieved an annualised copper production rate of more than 27kt despite only the September month operating at full mill capacity.
- Capricorn Copper's Esperanza tailings storage facility ('**Esperanza TSF**') lift was approved. Work is well progressed, supporting the decision to restore the mill to full processing rates from 1 September.
- Exceptional in-mine exploration results from Cervantes announced during the quarter, showing the potential to deliver additional high-grade, higher margin material to the Golden Grove mine plan.
- As announced today, fully termed facility documentation has been finalised and signed to refinance 29Metals existing project facilities with corporate facilities, achieving extended tenor, lower financing cost and no requirement for additional commodity hedging.
- Update on progress against guidance provided (refer page 3).

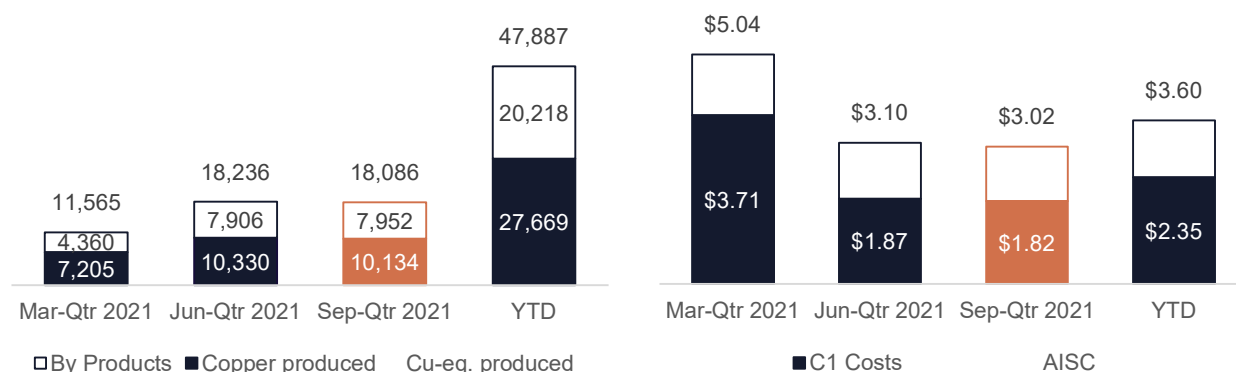
Summary

	Unit	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD	2021 Full Year Forecast ¹
TRIFR ²	/mmhrs	9.8	11.8	11.8	
Copper produced	Tonnes	10,330	10,134	27,669	36,775
Gold produced	Ounces	12,927	9,035	27,055	40,894
Zinc produced	Tonnes	12,392	15,518	35,630	54,453
Silver produced	Ounces	586,203	411,472	1,234,702	1,914,164
Cu-eq production ³	Tonnes	18,236	18,086	47,887	67,353
C1 Costs ^{4,5}	US\$/lb Cu sold	\$1.87	\$1.82	\$2.35	
AISC ^{4,5,7}	US\$/lb Cu sold	\$3.10	\$3.02	\$3.60	
Average copper price ⁶	US\$/lb Cu sold	\$4.36	\$4.23	\$4.18	\$4.28

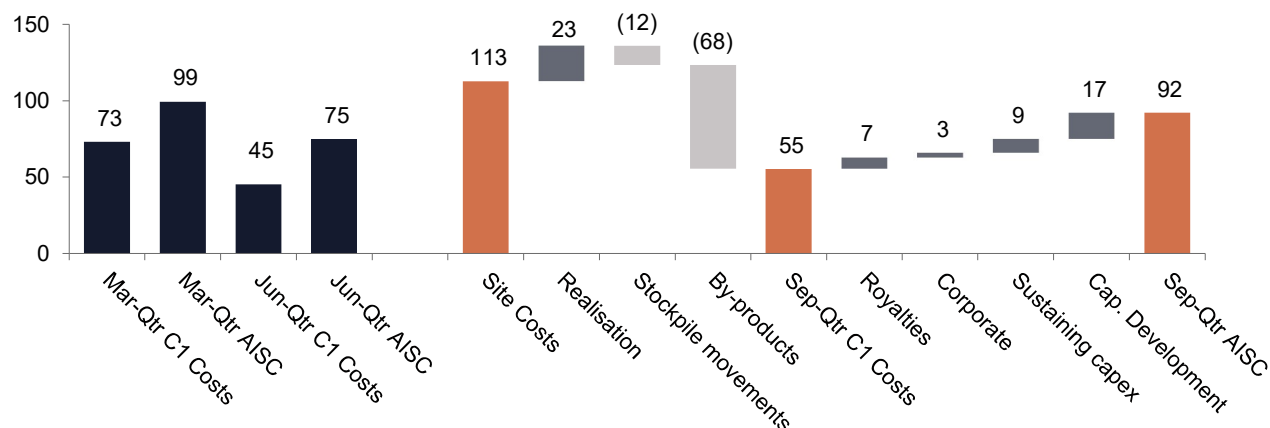
- 2021 Full Year Forecast information as set out in the 29Metals Prospectus dated 21 June 2021 (the '**Prospectus**').
- TRIFR is shown as the 12-month moving average for the periods ending Jun-Qtr 2021 and Sep-Qtr 2021.
- Cu-eq production for the Mar-Qtr 2021, the Jun-Qtr 2021, the Sep-Qtr, and 2021 YTD is based on average LME metal prices for the relevant period (source: FactSet) and recovered metal for the period. Full year forecast Cu-eq production is as set out in the Prospectus and applies Cu US\$9,442/t, Au US\$1,776/oz, Zn US\$2,878/t, Ag US\$26/oz, Pb \$2,063/t; and the recovery assumptions set out in section 5.9.2 of the Prospectus.
- Refer to Appendix 2 for the build of C1 Costs and AISC. C1 Costs and AISC have been converted to US\$ at the average rate for the relevant period (Mar-Qtr 2021: 0.773, Jun-Qtr 2021 0.770, Sept-Qtr 0.735, 2021 YTD 0.759. Source: FactSet).
- For C1 Costs and AISC, corporate costs for the Jun-Qtr 2021 are pro-forma estimates and corporate costs for the Sep-Qtr 2021 are actual head office costs for the quarter.
- Average copper price excludes final invoice, unrealised quotational pricing adjustments ('QP') and hedging.
- 2021 YTD AISC shown includes a net reallocation reflected in the Sep-Qtr of \$1.0m from Sustaining to Growth Capital in H1.

¹ In this report, Cu-eq is contained metal copper equivalent.

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



Sep-Qtr 2021 Group AISC build (A\$ million)



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

"The safety performance for the quarter was disappointing and improvement is a key priority for 29Metals. We are taking action to re-focus our efforts on improving safety performance."

Golden Grove had a weaker than planned quarter due to a rescheduling of zinc stopes which typically carry higher precious metals content, as well as being challenged by increasing external pressures from a further tightening labour market, border restrictions and unseasonably wet conditions that continued from the June quarter into the September quarter. Capricorn Copper had a very good quarter, despite restricted mill throughput in July and August, which when combined with Golden Grove, yielded an overall 29Metals production result in line with the June quarter."

We expect a strong finish to 2021 supported by unconstrained operations at Capricorn Copper and increasing contribution of ore from Xantho Extended at Golden Grove. Development headings into the Xantho Extended ore zone have continued to confirm model grades."

We are very pleased by the first 6 holes drilled into the Cervantes gap which has re-affirmed our view that Golden Grove is a world-class VHMS system with significant growth potential."

The combined costs performance for the two operating sites is partly reflecting the impact of pressures in the labour market, exacerbated by continuing border closures, particularly in Western Australia. We are examining a number of attraction and retention strategies for our workforce to seek to mitigate these effects."

Progress against guidance²

Production	<ul style="list-style-type: none"> On a Cu-eq basis, 29Metals remains on track for full year forecast production of 67kt Cu-eq, with below plan production YTD from Golden Grove largely offset by continuing strong performance at Capricorn Copper. Full year copper metal production is expected to be 5-10% better than forecast. Full year zinc metal production is expected to be 5-10% lower, and gold and silver production are each expected to be 10-15% lower, than forecast.
Costs	<ul style="list-style-type: none"> Combined C1 Costs and AISC are expected to be approximately \$50-70 million higher than forecast. Higher C1 Costs reflects lower than planned by-product revenue in the second half of approximately \$40-50 million³. The contribution of operating costs to higher forecast C1 Costs is approximately \$10-20 million, reflecting costs pressures in the second half of 2021, of which approximately \$4 million are considered non-recurring. Higher AISC reflects higher C1 Costs.
Capital	<ul style="list-style-type: none"> Full year capital expenditure is expected to remain in line with full year forecast, subject to the timing of sustaining capital projects in the Dec-Qtr.

Environment, Social & Governance

Group

- Safety performance for the quarter was disappointing. TRIFR at Capricorn Copper remains below the Queensland industry benchmark, while Golden Grove is currently above the Western Australia industry benchmark. 29Metals is committed to improving safety performance. A large proportion of the reportable safety events in the Sept-Qtr relate to minor and low potential incidents. 29Metals is implementing measures to re-focus our efforts on improving performance in this area, and we continue to focus on leading indicators such as hazard reporting, leadership interactions, and verification of critical risk controls.
- During the quarter 29Metals commenced work on its sustainability reporting which will be released in 2022.

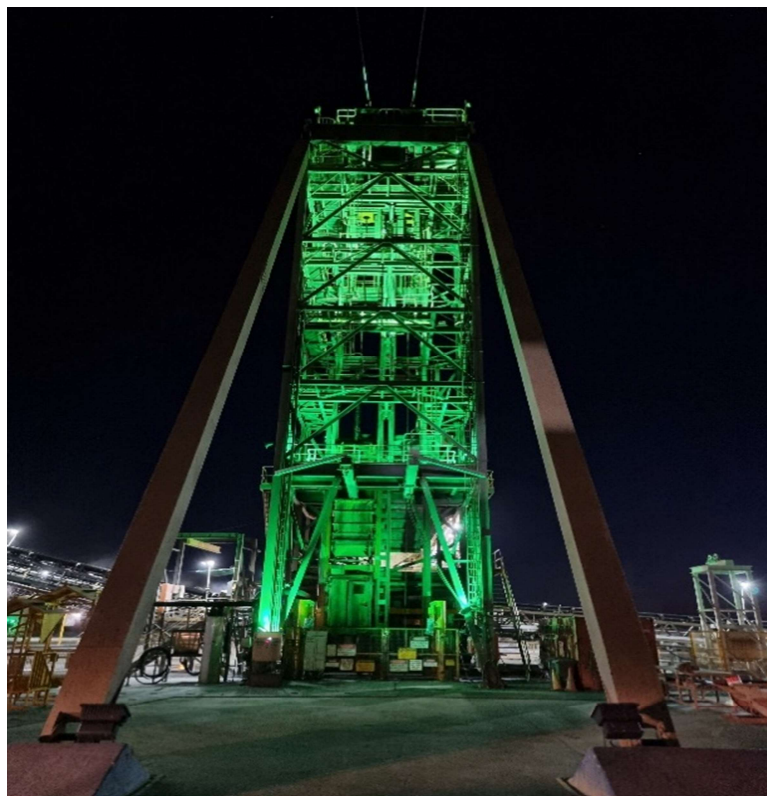
Golden Grove

- Two-day visit to Golden Grove by 12 students and 3 Teachers from the SHINE program, promoting exciting career opportunities for women in the mining industry. 29Metals supports the SHINE *Inspire Achieve Belong* program for underprivileged girls in the Geraldton region. Senior company officials attended the SHINE Sponsors' Day in Geraldton.
- Donation of mattresses to Yalgoo Community Centre, and donations to the Yalgoo Emu Festival and to the Mullewa Bowls Wildflower Festival.
- Sponsorship of the Children's Charity Network, *Young Indigenous Art & Writers Awards*. 100 new books were donated by 29Metals to the Yalgoo Remote School as part of our sponsorship package.
- Progressed proposed traineeships under the Bayalgu Indigenous pre-employment program with Geraldton Shire Council and TAFE Western Australia, aimed at providing training and support for local indigenous people to join the workforce. The Company has committed to supporting four TAFE places (two female and two male).
- Engagement with WA Department of Water and Environmental Regulation (**DWER**) to offer traineeships to members of the Yamatji Nation.

² Forecast performance commentary is stated relative to full year forecast information set out in the Prospectus. Refer to important information on page 14 regarding forward-looking statements included in this report.

³ Applying Prospectus 2021 commodity price and exchange rate assumptions to the Dec-Qtr - Zn: US\$2,878/t; Au US\$1,776/oz; Ag: US\$26.3/oz; Pb US\$2,063/t, A\$:US\$ 0.772.

Figure 1 – Scuddles headframe illuminated in green for *Light Up for Mito*, raising awareness for mitochondrial disease in September



- NAIDOC week was celebrated with Yalgoo artwork promoted across site in conjunction with the Yalgoo Art Centre. The site caterer created specialised dishes during the week to celebrate Aboriginal and Torres Strait Islander cuisine.
- Golden Grove sponsored and attended the Northern Agricultural Catchment Council (**NACC**) *Mallee Fowl and Threatened Species Conference* in Geraldton. An occupied nest of the threatened, ground dwelling Nganamara (Mallee Fowl) was identified at Golden Grove and protected with an exclusion zone and camera surveillance.

Capricorn Copper

- Completed rehabilitation of two redundant process water ponds as part of Capricorn Copper's progressive rehabilitation strategy.
- Capricorn Copper team is progressing water bore drilling works for the local Calton Hills cattle station which is run by the Kalkadoon traditional owners.
- Continued engagement with representatives of the Kalkadoon traditional owners regarding Indigenous employment and training pathways, with plans being finalised for a training and mentoring programme for five local applicants to achieve nationally recognised industry competencies.
- Heritage survey was conducted with traditional owners on Eagles Nest exploration prospect. Aboriginal cave art was found in the area proximate to the access track to the drill site. A 50m exclusion zone has been placed around the cave art. The cave art is not interacting with the drill site.

Golden Grove Operations

	Unit	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD	2021 Full Year Forecast ²
TRIFR	/mmhrs	8.9	11.6	11.6	
Copper produced	Tonnes	4,628	3,280	10,708	16,481
Gold produced	Ounces	12,927	9,035	27,055	40,894
Zinc produced	Tonnes	12,392	15,518	35,630	54,453
Silver produced	Ounces	510,048	339,152	1,037,415	1,664,122
Lead produced	Tonnes	652	810	1,674	4,374
Cu-eq. production ³	Tonnes	12,325	11,044	30,378	46,362
C1 Costs	US\$/lb Cu sold	\$0.40	\$0.50	\$1.33	\$0.42
AISC	US\$/lb Cu sold	\$2.07	\$2.58	\$3.21	\$2.08

1. Refer to Appendix 1 for further details regarding production and sales.

2. 2021 Full Year Forecast as set out in the Prospectus.

3. Cu-eq. production for the Jun-Qtr 2021, the Sep-Qtr, and 2021 YTD is based on average LME metal prices for the relevant period (source: FactSet) and actual recovered metal.

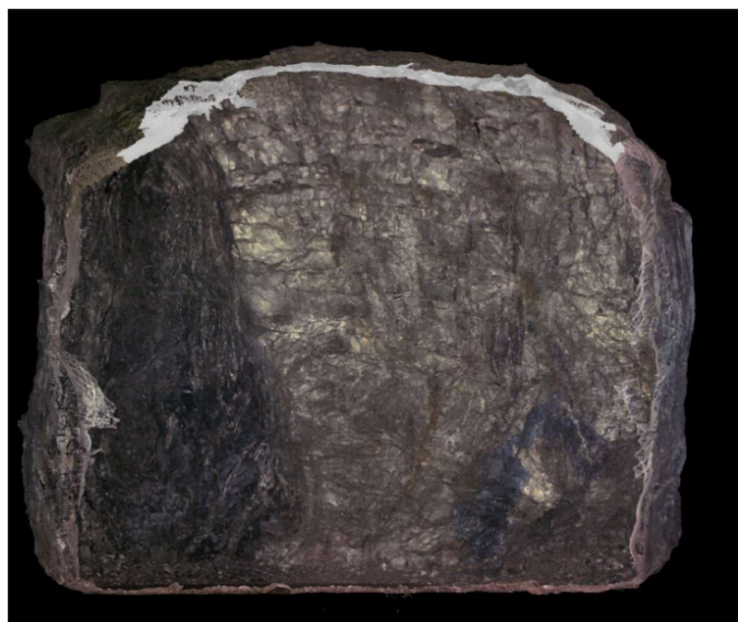
Mining

Mine production was predominantly focused at Gossan Hill during the quarter, with 360kt ore mined (Jun-Qtr 423kt). Total material mined (ore + waste) for the period was similar to the Jun-Qtr. Higher activity levels in Scuddles associated with additional development, ground support and backfill were required ahead of a higher production contribution planned for the Dec-Qtr. Higher activity levels are reflected in increased mining costs in the Sep-Qtr.

Recommissioning of the Scuddles hoisting system was successfully completed, with ore hoisting recommencing on 26 August. The additional 60t haul truck on hire to assist with material movements whilst the hoisting system was inoperable has subsequently been off-hired.

Schedule changes to some stope sequences within Gossan Hill to optimise geotechnical considerations have resulted in a deferral of mining some zinc ore sources in the September and the December quarter. These ore sources have now been rescheduled into 2022. The change in sequence is expected to result in an increase in the relative contribution of Cu metal, and lower Zn and by-product metals, for the 2021 full year, and are requiring additional development costs to deliver the changed stope sequence to be brought forward.

Figure 2 – First ore mined from Xantho Extended during Sep-Qtr



Development continued to focus on accessing future high grade ore sources, with first development ore from Xantho Extended orebody mined during the Sep-Qtr, and first ore production remaining on track to commence late in 2021.

Processing

Ore tonnes milled increased for the quarter to 392kt (Jun-Qtr 369kt) despite processing rate restrictions in September to manage tails deposition rates.

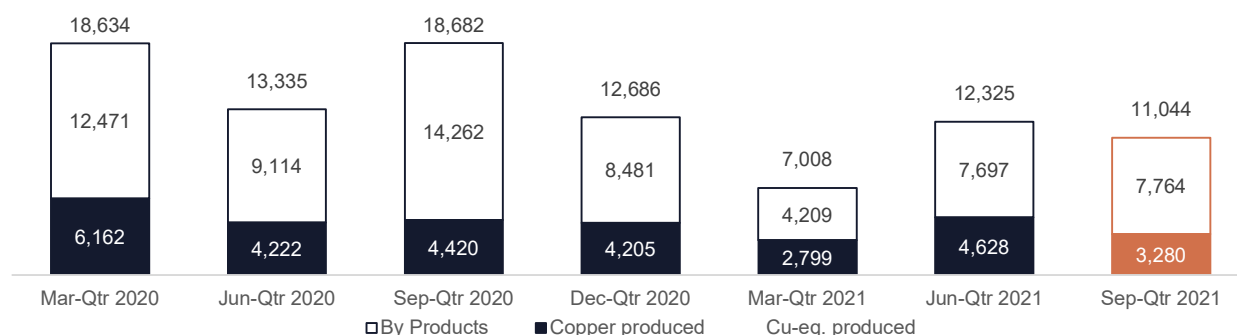
Following unseasonal high winter rainfall, deposition into TSF3 has been limited to prudently manage elevated embankment pore water pressures (since stabilised). Processing rate restrictions are expected to continue until November, when deposition into the newly increased capacity tailings storage facility, TSF1, commences.

In addition to the scheduled mill reline, a further outage of approximately 24 hours was required to replace SAG discharge lifter bolts that failed prematurely. This issue is unrelated to the successful trial of a new SAG mill hybrid polymetallic shell linings during the period which will elongate liner life and reduce ongoing downtime requirements.

Zinc and copper concentrate production was negatively impacted by the aforementioned temporary restriction on milling rates, combined with lower ore grade milled than plan as a result of the rescheduled stope sequence.

Optimisation of the triple sequential circuit continued with Cu and Zn concentrate grades and recoveries consistently exceeding modelled performance on feed presented to the circuit.

Quarterly production¹



1. Cu-eq. production for 2020 is based on average LME metal prices for 2020 (source: Factset) and actual recovered metal. Cu-eq. production is copper equivalent contained metal. Cu-eq. production for the Mar-Qtr 2021, the Jun-Qtr 2021, the Sep-Qtr, and 2021 YTD is based on average LME metal prices for the relevant period (source: Factset) and actual recoveries.

Costs

Site Costs increased slightly to \$71 million (Jun-Qtr \$68 million) driven by higher mining costs for the period. Cost increases reflect a combination of higher mining activity for the period (including operating development and rehabilitation), one-off costs relating to winder recommissioning and increased ground support costs. In addition, costs are being adversely affected by border closures and the Western Australia labour market. External cost pressures are expected to continue in the Dec-Qtr.

C1 Costs were \$5 million (Jun-Qtr \$4 million) and include a \$14 million stockpile movement credit (Jun-Qtr \$1 million credit), reflecting timing differences between production and sales. By-product credits were \$66 million (Jun-Qtr \$75 million), reflecting the lower by-product metals production in the quarter outlined above.

Sustaining capital of \$5 million (Jun-Qtr \$2 million) primarily reflects the ongoing works on TSF1, which will continue in the Dec-Qtr. \$2.9 million of capital associated with the paste plant shown as sustaining capital in the Jun-Qtr report was reclassified as growth capital during the period.

C1 Costs unit costs increased approximately US\$0.10/lb on the prior period primarily due to lower copper sales in the Sep-Qtr. An increase in unit AISC primarily reflects the increase in C1 Costs unit costs and higher sustaining and mine development capital.

Appendix 2 includes detailed information regarding 2021 YTD C1 Costs and AISC.

Capricorn Copper Operations

	Unit	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD	2021 Full Year Forecast ²
TRIFR	/mmhrs	11.6	12.0	12.0	
Copper produced	Tonnes	5,702	6,854	16,961	20,295
Silver produced	Ounces	76,155	72,320	197,288	250,042
Cu-eq. production ³	Tonnes	5,911	7,042	17,509	20,991
C1 Costs	US\$/lb Cu sold	\$3.04	\$2.43	\$2.94	\$2.95
AISC	US\$/lb Cu sold	\$3.61	\$3.04	\$3.56	\$3.79

1. Refer to Appendix 1 for further details regarding production and sales.
2. 2021 Full Year Forecast as set out in the Prospectus.
3. Cu-eq. production for the Jun-Qtr 2021, the Sep-Qtr, and 2021 YTD is based on average LME metal prices for the relevant period (source: FactSet) and actual recoveries.

Mining

Mining was active across all three orebodies (Esperanza South, Mammoth and Greenstone) during the Sep-Qtr. Ore mined for the quarter was 491kt (Jun-Qtr 395kt) equivalent to an annual run rate of approximately 2Mtpa. The Sep-Qtr mining result reflected higher production from Mammoth, multiple production fronts being available in Greenstone and Esperanza South, and an additional truck being added to the underground mining fleet.

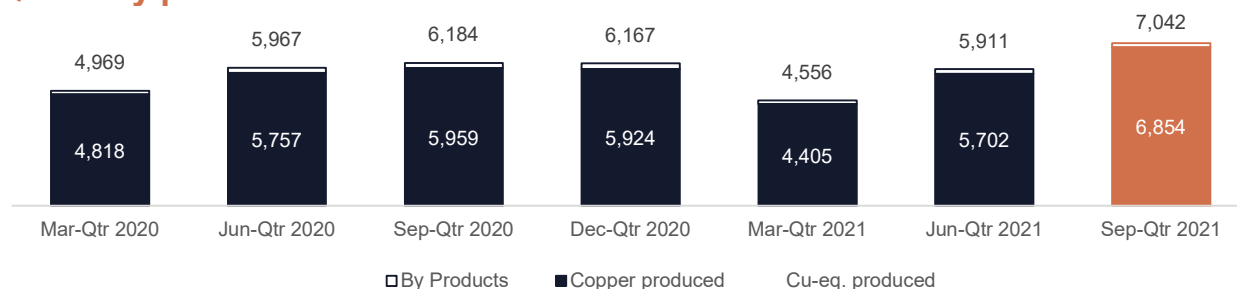
Mine development activities in the Sep-Qtr focused on establishing multiple production fronts in all three mining areas which will continue to be a focus in the Dec-Qtr. In addition to progressing the declines and production fronts in the three orebodies, a new fresh air connection is being developed to improve the ventilation capacity of Mammoth G-Lens and subsequent production capacity.

Processing

Ore tonnes milled for the Sep-Qtr was 425kt (Jun-Qtr 430kt). Mill throughput had been limited in July and August, as previously reported, to manage tailings capacity pending approval of the Esperanza TSF lift. Following receipt of final regulatory approvals, and an assessment of remaining capacity in the Esperanza Pit TSF, in September throughput was increased to an annualised milling rate of 2Mtpa.

Copper production increased in the Sep-Qtr reflecting higher grades from the mine and improved recoveries relative to the Jun-Qtr. Despite only September month operating at full capacity, annualised copper production for the quarter was equivalent to more than 27,000 tonnes.

Quarterly production¹



1. Cu-eq. production for 2020 is based on average LME metal prices for 2020 (source: FactSet) and actual recovered metal. Cu-eq. production for the Mar-Qtr 2021, the Jun-Qtr 2021, the Sep-Qtr, and 2021 YTD is based on average LME metal prices for the relevant period (source: FactSet) and actual recovered metal.

Costs

Site Costs were steady at \$41 million (Jun-Qtr \$41 million). C1 Costs were \$51 million (Jun-Qtr \$41 million) and included a \$2 million stockpile movement charge (Jun-Qtr \$5 million credit), reflecting a combination of timing differences between production and sales, movements in ore stockpile balances and a \$3 million increase in realisation costs primarily driven by higher copper concentrate volumes sold.

Sustaining capital increased to \$4 million (Jun-Qtr \$1 million), primarily reflecting construction works on the Esperanza TSF lift, and ventilation works in the Esperanza South (ESS) sub-level cave (refer below). \$1.9 million of capital reported as growth capital in the Jun-Qtr report was also reclassified as sustaining capital during the period.

Lower C1 costs unit and AISC unit costs for the quarter reflect increased payable copper sold of 6.9kt in the Sep-Qtr (Jun-Qtr 4.7kt).

Appendix 2 includes detailed information regarding C1 Costs and AISC.

Key Projects

Golden Grove

- **Paste fill plant:** Installation of underground reticulation is now largely complete with reaming surface drill holes underway as at end of the Sep-Qtr. Regulatory engagement regarding environmental approvals has continued throughout the period with approval received from the Mines department post quarter end and final approval from DWER is expected shortly. Consequently, it is anticipated commissioning of the paste fill plant will move into early 2022. To mitigate the impact of the delay, cemented hydraulic fill (**CHF**) placement rates have been increased by approximately 20% to reduce tailings deposition rate and maintain mining sequence flexibility.
- **Xantho Extended (XE) access:** During the quarter decline development and ventilation infrastructure upgrades continued within the upper XE orebody. First production from this orebody remains on track for late 2021. During the quarter, the XE and Hougoumont-Oizon-XE (HOX) Link declines progressed 180m and 185m, respectively. First development ore was mined in the Sep-Qtr from the upper levels of the XE orebody. Geotechnical evaluation of the sub-level intervals and stope sequence planned for the XE orebody has resulted in a decision to increase the planned distance from 30m to 45m. This approach results in a significant increase in ore tonnes per development metre and will be incorporated into future life-of-mine plans and Ore Reserve estimates.
- **Gossan Valley Feasibility Study.** Gossan Valley feasibility works continued indicating further encouraging technical and financial outcomes. Optimisation works are being undertaken focusing on integrating mine planning schedules with optimising mill throughput alternatives. An update will be provided in the December quarterly report.
- **Tailings capacity expansion:** Progress on the TSF1 lift was impacted by unseasonal winter rainfall and the challenging West Australian labour market conditions which impacted the construction contractor's ability to fully mobilise on schedule. The delays have resulted in an expected completion date of early 2022 - a 6-week delay to the original schedule. Mill production pressures have been partially mitigated by a revised staged construction schedule which is anticipated to result in tailings deposition commencing in November, thereby relieving any mill throughput constraint.
- **Scuddles hoisting system:** Recommissioning of the Scuddles hoisting system was successfully completed in the quarter, with ore hoisting recommencing on 26 August, enhancing overall future mine flexibility.

Capricorn Copper

- **Esperanza South (ESS) sublevel cave:** The sub-level cave at ESS continues to self-propagate mitigating the need for external measures to initiate propagation. At the end of the quarter, the void was approximately 80m from surface. Capricorn Copper intends to implement surface run-off water diversion around the future subsidence zone of the ESS. The regulatory approval process is underway.
- **Wet season planning:** Planning and procurement for wet season discharge infrastructure is well progressed in advance of the 2021/22 wet season with mobilisation of plant and equipment occurring in October. Planning works are also progressing on clean water surface diversion projects to manage site water balance ahead of the wet season.
- **ESS ventilation upgrade:** Surface civil works associated with a new exhaust ventilation shaft at ESS progressed, with the shaft collar largely completed and electrical power lines run to the collar location. It is anticipated that raise boring activities will commence during the Dec-Qtr with fan installation and commissioning to occur in Jun-Qtr 2022.
- **Esperanza TSF lift:** As previously announced, regulatory approval for the ETSF lift was received in late July. Construction activities are progressing well and will be staged in 2 x 1.5m raises. It is anticipated both raises will be complete by late Dec-Qtr, with tailings deposition commencing in November once the first stage of the lift is complete.

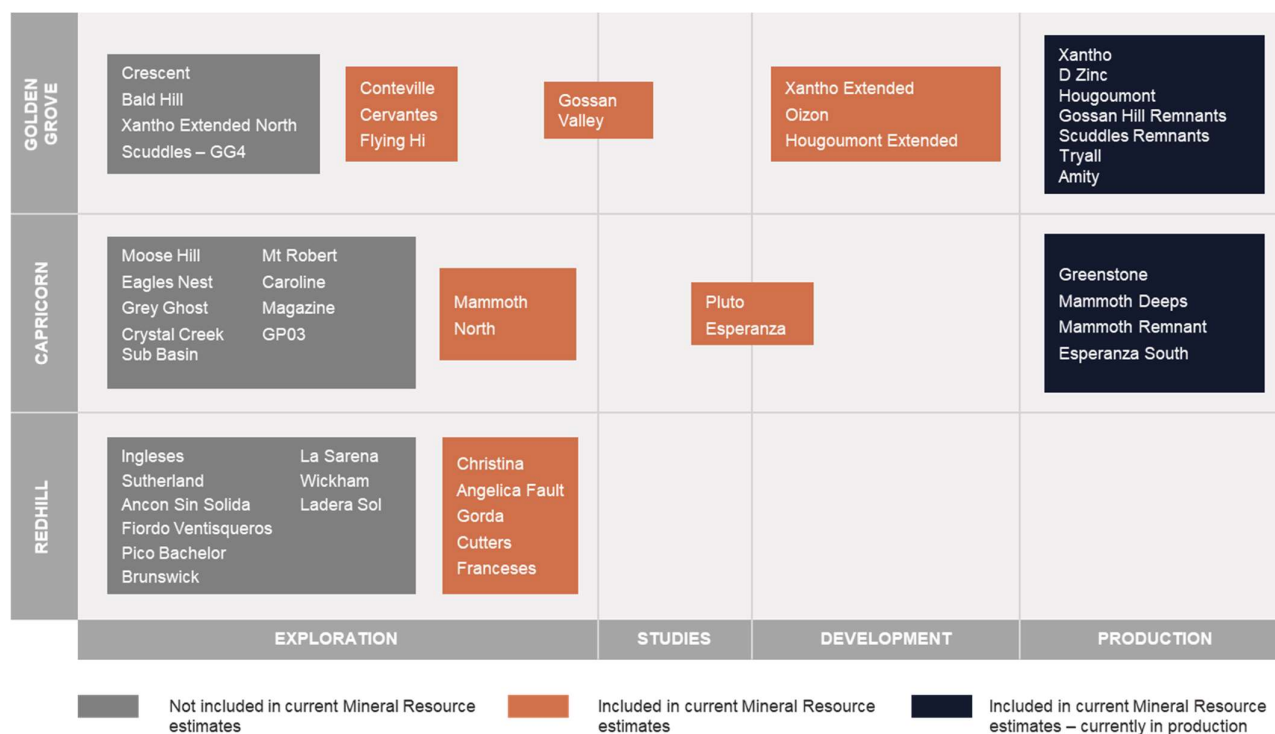
Exploration

Major activities for the quarter at Golden Grove included underground extensional drilling targeting areas identified to have organic growth potential at Cervantes, and surface reverse circulation (RC) drilling targeting the Bald Hill gold target. At Capricorn Copper, drilling commenced on the Mammoth North target.

At Red Hill, planning is underway for the 2022 field season which will run from Jan 22 to April 22. Initial works will focus on the Cutters area, with the aim to assess the overall extent of the mesothermal vein systems using auger drilling, rock chip sampling, mapping, and potentially high-resolution geophysics.

Exploration and Resource Development Pipeline

Figure 3 – 29Metals' exploration and resource development pipeline



Golden Grove

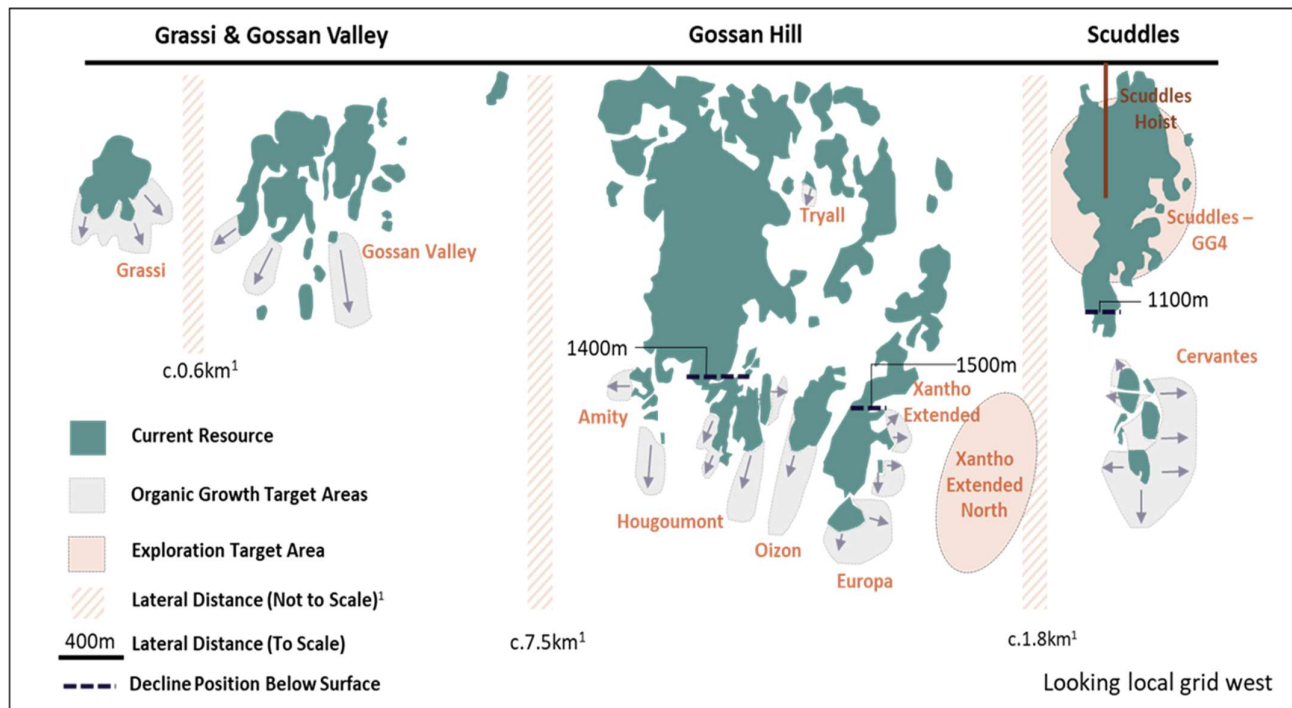
During the Sep-Qtr:

- 1,778m of underground drilling took place at Hougoumont, and Cervantes; and
- 666m of surface RC drilling was undertaken at Tryall,

targeting extensions to current resources estimates.

The Cervantes deposit is one of 29Metals' in-mine growth opportunities, located approximately 270m below the existing Scuddles mine development at Golden Grove. Cervantes is open along strike to the north, down plunge, and partially above.

Figure 4 – Golden Grove long section



1. Shaded orange bars in figure denote lateral distance between deposits on an illustrative basis (not to scale). Lateral distance between Grassi and Gossan Valley is approximately 0.6 km. Lateral distance between Gossan Valley and the Gossan Hill mine is approximately 7.5 km. Lateral distance between the Gossan Hill mine and the Scuddles mine is approximately 1.8 km.

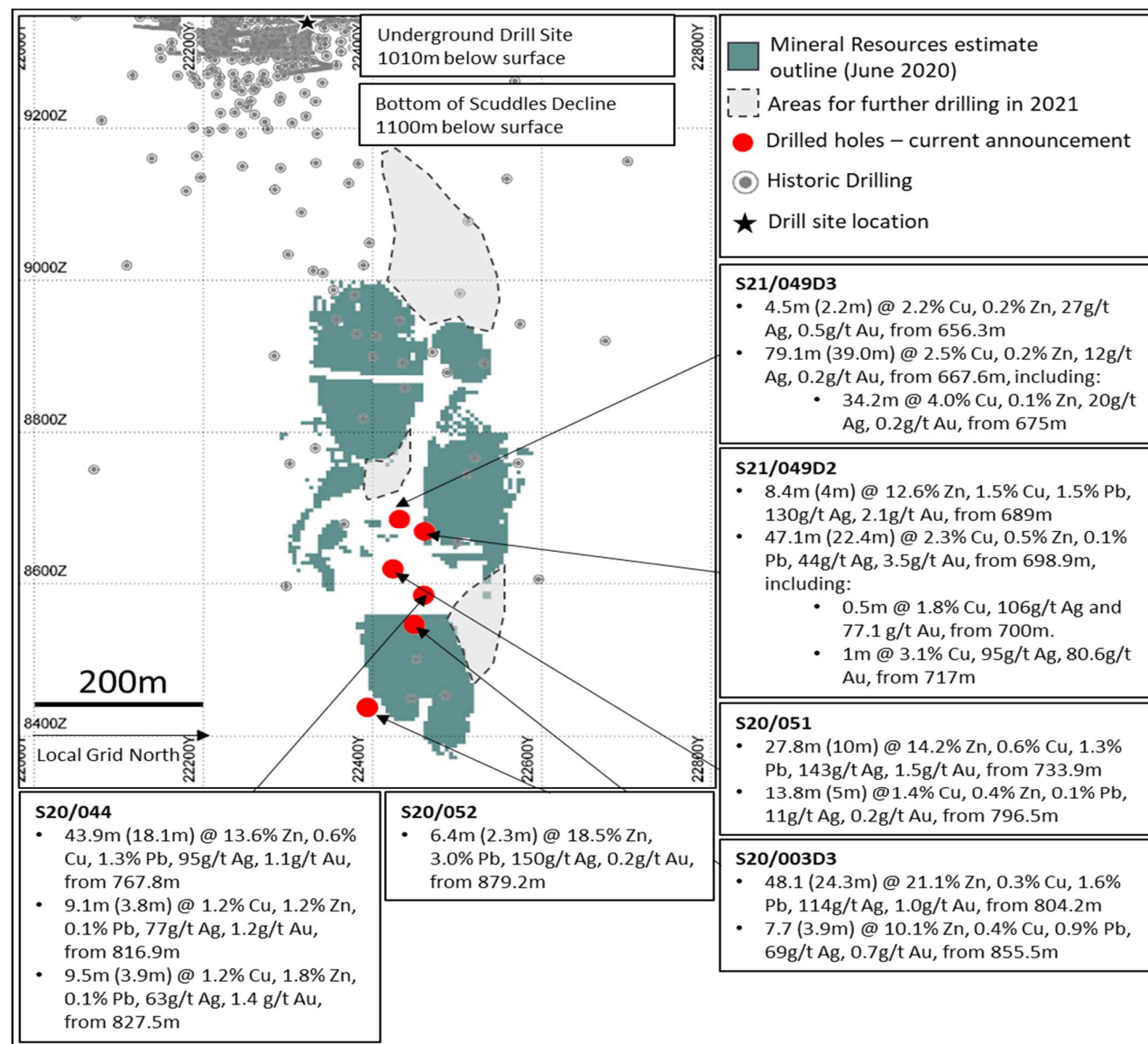
The results of the first six holes of the 12-14 hole Cervantes drilling program were announced to the ASX on 16 September 2021, with all holes delivering significant intercepts, as shown in figure 6.

Figure 5 – Cervantes drilling core



Magnified image of visible gold electrum in hole S20/049D2 with the sample interval grading 0.5m @ 1.8% Cu, 106g/t Ag and 77.1 g/t Au, from 700m within broader zone of 47.1m (22.4m ETW) @ 2.3% Cu, 0.5% Zn, 0.1% Pb, 44g/t Ag, 3.5g/t Au, from 698.9m. Full details of the Cervantes drilling results, including JORC Code disclosures are set out in the announcement released to the ASX on 16 September 2021

Figure 6 – Cervantes drilling results

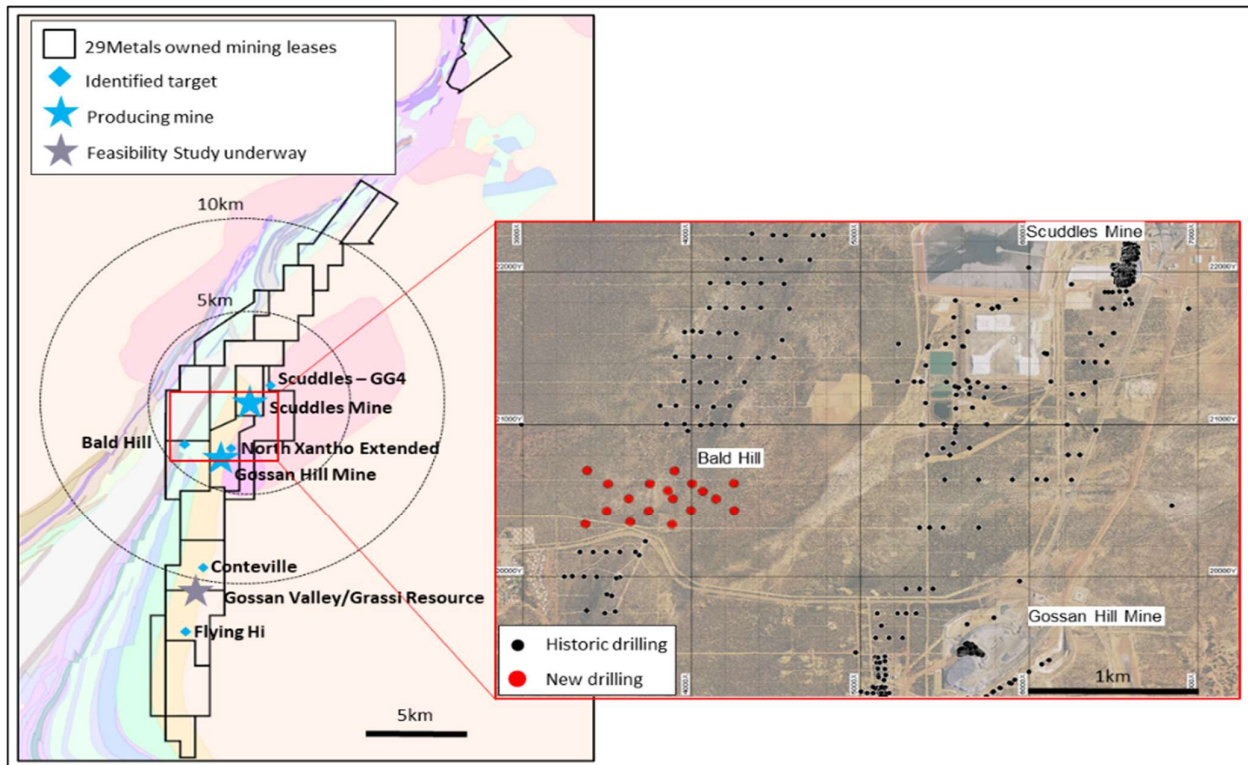


1. Long section of Cervantes showing pierce points of highlighted assay results from holes reported in this release as well as the pierce point location of historic drilling. Bracketed intervals are estimated true width (ETW). Some of these holes also intersected other intervals of sulphide additional to the intercepts listed here. Full details of the Cervantes drilling results, including JORC Code disclosures, are set out in the announcement released to the ASX on 16 September 2021.

In-mine extensional drilling will continue at Cervantes and commence at Hougoumont during the Dec-Qtr,

Regionally, a reverse circulation drilling program was completed at the Bald Hill gold prospect, with 4,289m drilled. Assays have been returned from 13 of the 19 holes with no significant results to-date.

Figure 7 – Bald Hill drilling location

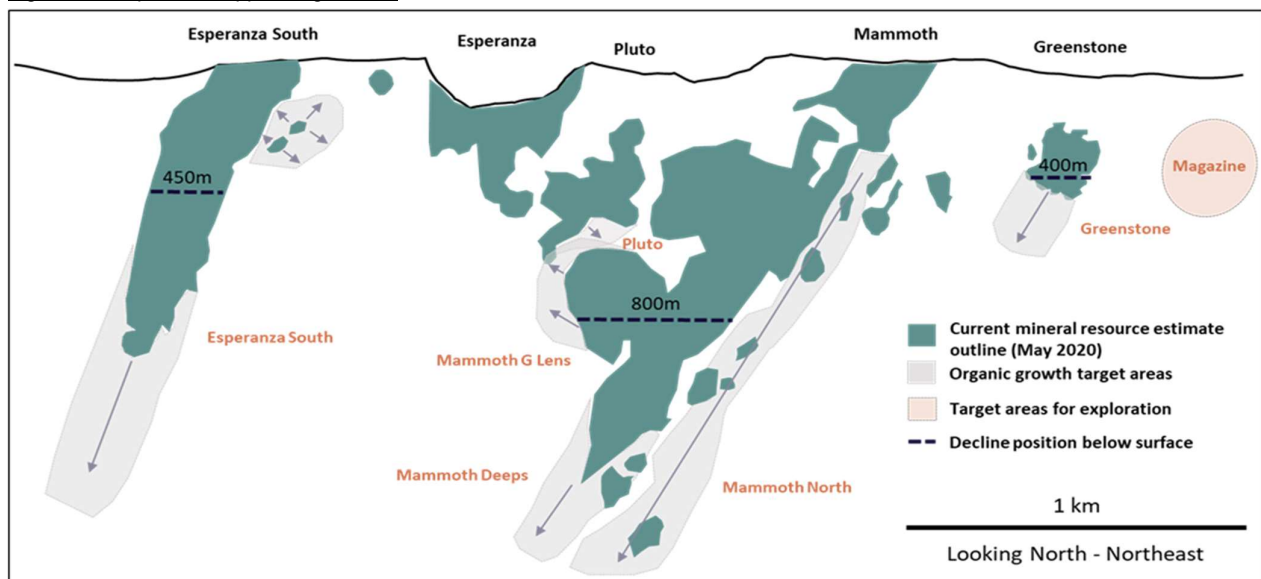


Capricorn Copper

Three holes totalling 1,480m of resource extension drilling was completed at Mammoth North in the Sep-Qtr with assay results pending.

Planning commenced for an initial phase of drilling at the Grey Ghost lead-zinc-silver target located 44km south-west of the existing mining operations. The first phase of drilling is planned to comprise 2,000m of RC drilling directly over the existing lead-in-soil anomaly. Drilling is planned to commence in the Dec-Qtr. Preparations are also advancing for drilling of the G Lens upper in-mine resource extension target, which is planned to comprise 2,000 to 2,500m of underground diamond drilling commencing in the Dec-Qtr.

Figure 8 – Capricorn Copper long section



Corporate

Revenue

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

	Unit	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD	2021 Full Year Forecast ¹
Total Gross Revenue	A\$m	192.6	196.5	508.9	723.3
Golden Grove	A\$m	129.0	104.3	302.7	480.0
- Copper	A\$m	55.8	39.2	129.6	187.2
- Gold	A\$m	16.5	23.4	46.3	76.4
- Zinc	A\$m	43.2	34.2	102.2	169.0
- Silver	A\$m	12.1	6.2	23.5	40.2
- Lead	A\$m	2.5	1.6	4.1	8.8
- Unrealised QP gains/losses	A\$m	-1.0	-0.3	-3.0	-1.7
Capricorn Copper	A\$m	63.6	92.2	206.2	243.3
- Copper	A\$m	61.3	93.6	208.9	235.9
- Silver	A\$m	2.1	2.2	5.6	7.4
- Unrealised QP gains/(losses)	A\$m	0.1	-3.6	-8.4	0.0

1. 2021 Full Year Forecast as set out in the Prospectus.

Drawn Debt and cash balances

29Metals' unaudited cash balance at 30 September 2021 of \$172 million (\$184 million at 30-Jun) is after further payment of IPO transaction costs (approximately \$14 million), annual insurance premiums and increases in working capital balances, during the Sep-Qtr. Stamp duty in relation to the acquisition of Golden Grove is anticipated to be settled during the Dec-Qtr.

Unaudited drawn debt of US\$150 million is unchanged from 30 June 2021.

29Metals' unaudited closing drawn debt and cash balances at 30-Sep are shown in the table below.

	Unit	30 Jun 2021	30 Sep 2021
Drawn debt	A\$m (US\$m)	199.8 (150.0)	207.7 (150.0)
Cash and cash equivalents	A\$m	183.8	171.7

1. Total debt excludes lease liabilities, and derivative financial assets and liabilities.
2. Cash and cash equivalents exclude \$13.0 million of EMR Capital's share of IPO proceeds retained by 29Metals under the "Cash Backed Indemnity" arrangements described in section 10.6.12.3 of the Prospectus.
3. 30-Jun cash and cash equivalents shown are the sum of Golden Grove and Capricorn cash balances at 30 June 2021, and 29Metals corporate cash balance as at 19 July 2021 (following settlement of transaction costs and other payments to 19 July 2021 as detailed in the Jun-Qtr report released to ASX on 21 July 2021).
4. Drawn debt and USD denominated cash holdings are converted to A\$ at closing spot rates: 30-Jun 0.751, 30-Sep 0.722 (Source: Factset).

As announced separately today, 29Metals has executed fully termed facility documents for the new group corporate debt facilities, including term loan, working capital, environmental bonding and letter of credit facilities. Financial close is expected to occur before the end of October 2021 subject to the satisfaction of customary conditions precedent.

Subject to satisfying customary conditions precedent, the proposed new facilities are expected to provide 29Metals with greater flexibility to manage liquidity and group funding requirements, an extended tenor on the term and working capital facilities, no requirement for commodity hedging and lower financing costs.

Other

There were no changes to 29Metals' metal hedges during the quarter, with copper production remaining unhedged for the balance of CY2021, and the CY2022 copper hedges at Capricorn Copper unchanged. Gold hedging at Golden Grove also remains unchanged.

During the Sep-Qtr, Capricorn Copper received a revised assessment of the environmental bond from the regulator. The surety for the revised environmental bond amount of \$57m is intended to be satisfied via the environmental bonding facility under the new group corporate facilities and will enable 29Metals to retire the existing bonding arrangement with Trafigura (and associated indemnity⁴).

This quarterly report is authorised for release by the Managing Director & Chief Executive Officer.

Important information regarding forward-looking statements

This report contains certain forward-looking statements and comments about future events, including in relation to 29Metals' businesses, plans and strategies, and expected trends in the industry in which 29Metals currently operates.

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 other 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 such 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. Forward-looking statements may prove to be incorrect, and circumstances may change, and the contents of this report 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 by the COVID-19 pandemic. Forward-looking statements in this report speak only as at the date of this report and, 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.

⁴ Details regarding the existing environmental bond arrangements at Capricorn Copper, including the contractual indemnity in favour of Trafigura Pte Ltd, are set out in section 10.6.7 of the Prospectus.

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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Stock Exchange Listing

Australian Securities Exchange (Ticker: 29M)

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Issued Share Capital

29Metals' issued capital is 480,455,000 ordinary shares.

Appendix 1: Production and sales

	Unit	Mar-Qtr 2021	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD
Golden Grove					
Ore Mined	kt	358	423	360	1,141
Ore Milled	kt	278	369	392	1,040
Milled Grade	Cu-eq (%)	3.3%	4.1%	3.5%	3.6%
	Copper (%)	1.2%	1.4%	1.0%	1.2%
	Gold (g/t)	0.9	1.4	1.0	1.1
	Zinc (%)	3.3%	4.0%	4.6%	4.0%
	Silver (g/t)	28.9	53.3	36.3	40.4
Recovery	Copper (%)	85.7%	86.8%	84.3%	85.7%
	Gold (%)	63.4%	76.5%	71.9%	72.2%
	Zinc (%)	83.8%	84.1%	86.7%	85.2%
	Silver (%)	72.8%	80.6%	74.1%	76.9%
Cu Concentrate Prod. ⁽¹⁾	dmt	13,945	25,155	17,176	56,275
	Cu grade (%)	18.7%	18.1%	18.3%	18.3%
	Copper (t)	2,613	4,559	3,145	10,317
	Gold (oz)	3,257	11,950	7,557	22,764
	Silver (oz)	122,030	394,654	194,450	711,134
Zn Concentrate Prod. ⁽¹⁾	dmt	15,279	24,999	31,410	71,688
	Zn grade (%)	50.5%	49.6%	49.4%	49.7%
	Zinc (t)	7,720	12,392	15,518	35,630
	Gold (oz)	797	592	745	2,134
	Silver (oz)	42,182	62,141	76,241	180,564
HPM Concentrate Prod. ⁽¹⁾	dmt	1,191	1,820	2,324	5,336
	Gold (oz)	1,040	384	734	2,158
	Silver (oz)	24,002	53,254	68,461	145,717
	Copper (t)	187	70	135	391
	Lead (t)	211	652	810	1,674
Metal Produced	Copper (t)	2,799	4,628	3,280	10,708
	Gold (oz)	5,093	12,927	9,035	27,055
	Zinc (t)	7,720	12,392	15,518	35,630
	Silver (oz)	188,214	510,048	339,152	1,037,415
	Lead (t)	211	652	810	1,674
Payable Metal Sold	Copper (t)	2,506	3,733	3,233	9,473
	Gold (oz)	3,733	6,954	9,545	20,232
	Zinc (t)	6,503	11,149	8,168	25,819
	Silver (oz)	156,727	337,016	210,557	704,299
	Lead (t)	0	851	424	1,275
Capricorn Copper					
Ore Mined	kt	415	395	491	1,301
Ore Milled	kt	412	430	425	1,266
Milled Grade	Copper (%)	1.3%	1.6%	1.8%	1.6%
Recovery	Copper (%)	80.0%	84.8%	88.6%	85.0%
Cu Concentrate Prod.	dmt	19,684	25,160	27,236	72,079
	Cu grade (%)	22.4%	22.7%	25.2%	23.5%
	Copper (t)	4,405	5,702	6,854	16,961
	Silver (oz)	48,813	76,155	72,320	197,288
Payable Metal Sold	Copper (t)	4,403	4,690	6,933	16,025
	Silver (oz)	41,455	58,382	70,761	170,599

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

Appendix 2: C1 Costs and AISC

	Unit	Mar-Qtr 2021	Jun-Qtr 2021	Sep-Qtr 2021	2021 YTD
Golden Grove					
Mining (excl. CapDev)	A\$m	45.6	44.0	48.4	138.0
Processing	A\$m	15.4	16.0	15.8	47.2
G&A	A\$m	5.7	7.6	7.0	20.3
Freight / Port	A\$m	1.5	2.3	2.1	5.9
TC/RCs	A\$m	10.7	11.2	11.5	33.4
Stockpile movements	A\$m	(15.3)	(1.2)	(14.3)	(30.7)
By-products ⁽¹⁾	A\$m	-36.2	-75.5	-65.7	-177.4
C1 Costs	A\$m	27.4	4.3	4.9	36.6
Payable copper sold	Mlbs	5.5	8.2	7.1	20.9
C1 Costs	A\$/lb	\$4.97	\$0.53	\$0.68	\$1.75
C1 Costs	US\$/lb	\$3.84	\$0.40	\$0.50	\$1.33
Royalties	A\$m	2.8	5.8	3.6	12.2
Sustaining capex ⁽⁴⁾	A\$m	2.9	2.5	4.8	10.2
Capitalised development	A\$m	7.9	9.5	11.8	29.2
AISC	A\$m	41.1	22.1	25.1	88.2
AISC	A\$/lb	\$7.44	\$2.68	\$3.52	\$4.22
AISC	US\$/lb	\$5.75	\$2.07	\$2.58	\$3.21
Growth Capital ⁽⁴⁾	A\$m	1.9	3.7	1.5	7.1
Capricorn Copper					
Mining (excl. CapDev)	A\$m	20.6	22.1	23.0	65.7
Processing	A\$m	12.0	13.4	12.2	37.6
G&A	A\$m	6.1	5.6	6.3	18.1
Freight / Port ⁽²⁾	A\$m	2.9	3.9	5.7	12.4
TC/RCs ⁽²⁾	A\$m	2.6	2.5	3.8	9.0
Stockpile movements	A\$m	2.6	(4.6)	1.8	(0.2)
By-products ⁽¹⁾	A\$m	-1.3	-2.1	-2.2	-5.6
C1 Costs	A\$m	45.5	40.8	50.5	136.8
Payable copper sold	Mlbs	9.7	10.3	15.3	35.3
C1 Costs	A\$/lb	\$4.69	\$3.95	\$3.30	\$3.87
C1 Costs	US\$/lb	\$3.62	\$3.04	\$2.43	\$2.94
Royalties	A\$m	2.3	3.0	3.6	8.9
Sustaining capex ⁽⁴⁾	A\$m	1.1	1.2	3.6	6.0
Capitalised development	A\$m	5.2	3.5	5.4	14.2
AISC	A\$m	54.1	48.5	63.2	165.8
AISC	A\$/lb	\$5.57	\$4.69	\$4.13	\$4.69
AISC	US\$/lb	\$4.31	\$3.61	\$3.04	\$3.56
Growth Capital ⁽⁴⁾	A\$m	0.0	0.0	0.0	0.0
29Metals Group					
C1 Costs	A\$m	73.0	45.2	55.5	173.7
Payable copper sold	Mlbs	15.2	18.6	22.4	56.2
C1 Costs	A\$/lb	\$4.80	\$2.43	\$2.48	\$3.09
C1 Costs	US\$/lb	\$3.71	\$1.87	\$1.82	\$2.35
Royalties	A\$m	5.1	8.7	7.3	21.1
Corporate ⁽³⁾	A\$m	4.1	4.1	3.2	11.4
Sustaining capex ⁽⁴⁾	A\$m	4.0	3.7	9.0	16.7
Capitalised development	A\$m	13.1	13.0	17.2	43.3
AISC	A\$m	99.4	74.8	92.1	266.2
AISC	A\$/lb	\$6.52	\$4.03	\$4.11	\$4.74
AISC	US\$/lb	\$5.04	\$3.10	\$3.02	\$3.60
Growth Capital ⁽⁴⁾	A\$m	1.9	3.7	1.5	7.1
Group Exploration ⁽⁴⁾	A\$m	2.5	2.0	2.2	6.7
FX rate	USD:AUD	0.773	0.770	0.735	0.759

⁽¹⁾ Golden Grove by-products are gold, zinc, silver and lead revenue, net of unrealised Zn and HPM QP's. Capricorn Copper by-product is silver revenue.

⁽²⁾ 2021 YTD Capricorn Copper costs shown includes a reallocation between Freight / Port and TC/RC's during the Sep-Qtr.

⁽³⁾ 2021 YTD Corporate costs shown are pro-forma estimates Mar-Qtr 2021 and the Jun-Qtr 2021, and actual 29Metals head office costs for the Sep-Qtr.

⁽⁴⁾ 2021 YTD capital includes a reallocation between Sustaining Capital and Growth Capital during the Sep-Qtr, and an adjustment to Group Exploration.