

**ASX ANNOUNCEMENT**

Wednesday, 15 March 2023

## **Operations Update – Capricorn Copper**

### **Impact of Extreme Weather Event and Recovery Planning**

29Metals Limited ('29Metals' or, the 'Company') today updates the market regarding the impact of the extreme weather event reported on Thursday, 9 March 2023, the recovery work underway and preliminary implications for 29Metals' 2023 guidance.

The low-pressure system associated with the extreme rainfall has slowly moved away from the region. In total, approximately 500mm of rain fell at Capricorn Copper over seven days (6-10 March 2023), the highest weekly total rainfall ever recorded for the region. The more than 1,400mm of cumulative rainfall since 1 November 2022 is now the highest annual cumulative rainfall recorded for the region.

Following this extreme weather event, the Mount Isa Shire (including Capricorn Copper) has been declared a natural disaster zone.

29Metals provides the following update regarding the impact of the extreme weather event:

- **no significant safety incidents** – despite very challenging conditions;
- **site access restored** – light vehicle access has re-commenced and heavy vehicle access expected to re-commence today. The restoration of site access is a critical milestone, enabling the site team to be relieved and facilitate the supply of equipment and consumables to support recovery activities;
- **significant increase in the levels of water held on site** – water levels in the Esperanza Pit, in particular, have been heavily impacted with the water level increasing by approximately seven metres;
- **no uncontrolled release** – of water from on-site water storage facilities to the environment;
- **water ingress into the Esperanza South sub-level cave ('ESS')** – evidence of significant water volumes entering the cave, with inspection of ESS an immediate priority. Early indications are that the Mammoth ore source has not experienced significant water ingress;
- **isolated areas of inundation around the site** – with no significant damage to the processing plant, however, preliminary inspections indicate some damage to supporting infrastructure;
- **no loss of containment of tailings storage;**
- **strong engagement with stakeholders** – including close engagement with the Queensland Department of Environment and Science (the 'DES') regarding water levels and mitigating action, keeping the local community informed, and close engagement with key contractors. Force majeure notices have been issued to major contractors;
- **29Metals' insurers have been notified.**

With site access restored and water levels stabilising, the site team are inspecting the site and preparing recovery plans.

As a result of this extreme event, and the ingress of water into ESS, the interruption to operations at Capricorn Copper is now expected to be more significant than 29Metals' preliminary assessment reported on 9 March 2023.

**Operations Update – Impact of Extreme Weather Event Recovery Planning**

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While the inspection and recovery planning process are ongoing, 29Metals now expects the interruption to operations to be for a period of three-to-four months. This estimate is subject to change. The key drivers for recovery will be reduction of the increased water levels stored on site and dewatering ESS.

In the circumstances, and pending the ongoing recovery planning, 29Metals' 2023 guidance for Capricorn Copper is withdrawn. 29Metals will update the market regarding guidance for Capricorn Copper once recovery plans have been finalised.

**Commenting on the operations update**, Managing Director & CEO, Peter Albert, said:

*"The extreme weather event that has impacted Capricorn Copper, and much of Northwest Queensland, is of a staggering scale – with Capricorn Copper recording its highest-ever rainfall for a seven-day period, and highest annual rainfall (in less than five months since 1 November) since records began 130 years ago.*

*In the context of an event of this scale, the site team's response has been exemplary. The health and safety of our team on site and ensuring no uncontrolled release of contaminated water or waste from on-site storage to the environment, are the highest priorities, and in this regard the performance of the site team has been first rate.*

*With the weather conditions improving, 29Metals' management focus has promptly moved to recovery and a return to operating safely as soon as possible.*

*There is a significant task ahead of us, including reducing water levels stored on site, inspecting site facilities to identify damage, dewatering ESS and reinstating mining operations. 29Metals has moved quickly to provide support to the site team with functional expertise from across the business. Already, the team is identifying not just the challenges to be overcome but the opportunities to recover in a stronger position.*

*We will be working closely with our workforce and external stakeholders, including the local community, regulatory stakeholders and our contract partners.*

*We will keep the market informed with material updates in the coming weeks as we finalise recovery plans."*

-ENDS-

*This announcement was authorised for release by the Managing Director & CEO, Peter Albert.*

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