

ASX ANNOUNCEMENT

Wednesday, 5 July 2023

Update – Capricorn Copper Recovery

29Metals Limited ('29Metals' or, the 'Company') today provides an update regarding the Capricorn Copper Recovery and the balance sheet.

Capricorn Copper Recovery

The phased recovery plan for Capricorn Copper was outlined in the Strategic Update released to the ASX announcements platform on 23 May 2023. 29Metals is pleased to advise that the Recovery is progressing to plan, with the Phase 1 initial restart of operations on track for August 2023.

Key milestones since the May 2023 Strategic Update include:

- **Water treatment for mining and mineral processing** – preparation of ponds 3 and 4 for the interim water treatment solution is nearing completion. Procurement and installation of pumps and piping infrastructure is well advanced.
- **Water quality management and volume reduction** – new high-efficiency mechanical evaporators have been delivered to site, with installation and commissioning expected by early August once delivery of final electrical components is completed. In addition, smaller previously decommissioned mechanical evaporators have been returned to service to further enhance the mechanical evaporation capacity on site.

Engagement with the regulator regarding 29Metals' other water quality management and volume reduction strategies is constructive and ongoing.

- **Mammoth and Greenstone readiness** – The Mammoth and Greenstone underground mines are being maintained in a state of operational readiness in preparation for the Phase 1 restart. The underground mining contractor, Byrnecut Australia Pty Ltd, has commenced re-mobilisation of personnel and equipment.
- **Mineral processing facilities** – the limited damage to the mineral processing facilities caused by the extreme weather event, notably the coarse-ore feeders conveyor, has been repaired. General maintenance of the mill is underway, with a restart plan in place.

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

Recovery costs are in line with plan. As the implementation of the Recovery progresses, 29Metals will continue to assess opportunities to reduce Recovery costs.

A further update regarding Recovery plan progress will be reported in 29Metals' quarterly report for the June quarter planned to be released on 25 July 2023.

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

29Metals continues to investigate alternative shorter-term tailings storage capacity options to seek to mitigate ongoing delays in the approvals process as the site transitions to a planned new life-of-mine tailings storage facility.

Balance sheet

Debt facility covenants

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

Liquidity

29Metals continues to maintain substantial liquidity with a 30 June 2023 unaudited cash balance of \$127 million. The 30 June 2023 cash balance includes the proceeds of the draw down of the Group's US\$40 million Revolving Capital Facility previously foreshadowed.

Insurance claim

29Metals continues to work with its insurers regarding property damage and business interruption as a result of the impact of the extreme weather event. Unaudited cash balances and costs cited in this release are before any proceeds from insurance.

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

Enquiries

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