

ASX ANNOUNCEMENT

Monday, 21 August 2023

CAPRICORN COPPER UPDATE INSURANCE CLAIM AND CARRYING VALUES

29Metals Limited ('**29Metals**' or, the '**Company**') today provides an update on progress of the Capricorn Copper insurance claim and 29Metals' assessment of carrying values, following the extreme weather event at Capricorn Copper in March 2023.

Capricorn Copper Insurance Claim Progress Update

As previously reported, 29Metals notified its insurers regarding loss and damage suffered as a result of the extreme weather event. 29Metals' insurers have now provided a response to 29Metals' preliminary claim submission.

Insurers' have confirmed indemnity for damage to property on the surface and associated business interruption, and agreed to make an initial unallocated progress payment of \$24 million. The claim process for the balance of the surface property damage and associated business interruption is ongoing.

In relation to underground loss and damage, based on 29Metals' preliminary claim submission and information provided to date, insurers' have taken the position that the policy does not respond. Further information has been requested. 29Metals does not agree with the insurers' position regarding coverage of the underground loss and will continue to work with insurers in relation to the further information required to advance this claim.

Assessment of Capricorn Copper Carrying Values

29Metals is finalising its financial results for the six-months ended 30 June 2023 ('**HY2023 Results**'). In the context of a sustained decline in the Company's market capitalisation following announcement of the suspension of operations at Capricorn Copper, 29Metals is undertaking an assessment of carrying values for the HY2023 Results.

While work has not been finalised, including completion of the external auditor's review, 29Metals expects that the HY2023 Results will include total non-cash impairments relating to Capricorn Copper in the range of \$180-210 million.

A key driver of the potential impairment is the impact of the extreme weather event at Capricorn Copper, affecting both the carrying value of the Capricorn Copper business segment as a result of the increased costs associated with the Capricorn Copper recovery plan, and reduced operating cash flows during the suspension of operations and the phased restart, as well as damage to fixed assets and surface stockpiles.

29Metals plans to release its HY2023 Results on 30 August 2023.

Authorised for release by the Board of Directors

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