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29 Metals

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ASX ANNOUNCEMENT
Tuesday, 3 December 2024

DEBT REFINANCING & GOSSAN VALLEY FUNDING VIA $180M EQUITY RAISING

29Metals Limited (ASX:29M) ('**29Metals**' or, the '**Company**') is pleased to announce the launch of a fully underwritten institutional placement, and underwritten 1 for 1.43 accelerated pro rata non-renounceable entitlement offer ('**Entitlement Offer**') to raise $180 million (before transaction costs) ('**Equity Raising'** or the '**Offer**'). The Entitlement Offer comprises an accelerated institutional component ('**Institutional Entitlement Offer**') and a retail component ('**Retail Entitlement Offer**').

Highlights

- 29Metals launches fully underwritten institutional placement, and underwritten 1 for 1.43 accelerated pro rata non-renounceable entitlement offer to raise $180 million (before costs)
- Proceeds of the Equity Raising will facilitate a balance sheet reset and fully fund[1] Gossan Valley to first ore (refer to 'Gossan Valley investment decision' announced earlier this morning)
  - $28 million[2] (US$18 million) reduction of total senior debt with maturity extension of senior debt to 2028 – approximately US$74 million less repayments over next 2 years[3]
  - $112 million of proceeds to fully fund[4] the development of Gossan Valley to first ore, delivering an initial stage IRR of 34%[5], with potential to extend Gossan Valley Mineral Resources, which remain open at depth
  - $40 million to progress Capricorn Copper water reduction and provide general working capital
- Reduction in cash outflows at Capricorn Copper are expected into 2025 as environmental compliance and water management capital projects are completed, and operating costs are reduced, to reflect lower steady state activity levels
- The Equity Raising will be conducted at an offer price of $0.27 per share, representing a 16.0% discount to TERP[6] of $0.32 as at 2 December 2024 and 27.0% discount to last close of $0.37 per share on 2 December 2024

[1] Offering to fund to first ore from Gossan Valley, planned in H2-2026. Subject to receipt of requisite approvals and delivery on the construction and operational milestones within the timeframes as outlined on page 22 of the Offer Investor Presentation, released to the ASX announcements platform on 3 December 2024.
[2] Assumes AUDUSD exchange rate at 15 November 2024 of 0.65.
[3] US$74 million less repayments between refinanced senior debt repayment profile versus existing senior debt repayment profile between Q1-25 to Q4-26. See section 'Refinancing of Senior Debt' in this release for further details of refinancing.
[4] Refer footnote 1.
[5] Metal prices and AUDUSD value used in the 2024 Feasibility Study are spot prices as at 15 November 2024. Specifically, copper price US$4.11/lb, zinc price $1.36/lb, gold price US$2,572/oz, silver price US$30/oz, AUDUSD 0.65. Refer to "Gossan Valley investment decision" released to the ASX announcements platform on 3 December 2024.
[6] The Theoretical Ex-Rights Price ('**TERP**') is the theoretical price at which 29Metals shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to 29Metals' closing price of $0.37 on 2 December 2024.

- AustralianSuper Pty Ltd as trustee for AustralianSuper ('**AustralianSuper**') and BUMA [7] have committed to take-up their full pro-rata in the Entitlement Offer and subscribe for an additional $40.0 million and $62.1 million respectively, resulting in a pro forma holding in 29Metals of up to 18.0% for AustralianSuper and 19.9% for BUMA
- The Equity Raising is fully underwritten by Jarden Australia Pty Ltd and Macquarie Capital (Australia) Limited

Proceeds from the Equity Raising will enable balance sheet deleveraging and provide general working capital support, adding to the $104 million of unaudited Group cash and undrawn debt facilities at 30 September 2024.[8] The refinancing also simplifies 29Metals' senior debt structure by combining the Revolving Credit Facility ('**RCF**') and term loan facility, and removing the Company's near term repayment requirement, in respect of the RCF. Revised Debt Service Coverage Ratio ('**DSCR**') covenant tests support investment at Gossan Valley, with capital expenditures within certain monetary limits excluded from DSCR covenant calculations (refer to 'Refinancing of Senior Debt' section below for further information).

Investment at Gossan Valley delivers production flexibility via an additional, relatively shallow, and independent mining front. The project is underpinned by strong economics, including an initial stage NPV of $110 million[9] and initial mine life of 7 years,[10] with average production of 4kt of copper and 20kt of zinc p.a.[11]

Commenting on today's announcement, Chief Executive Officer, James Palmer, said:

> *"Net proceeds from the equity raising and refinancing of senior funded debt facilities provides 29Metals with the balance sheet needed to pursue our strategic objectives. It deleverages the business via a $28 million reduction of senior funded debt and extends maturities of senior facilities from 2026 to 2028. This results in US$74 million less repayments over the next 2 years, improving near term liquidity for the business.*
>
> *In addition to the deleveraging impact of the Equity Raising, the proceeds will be directed towards fully funding the Gossan Valley project at Golden Grove to first ore. Gossan Valley is a milestone project for the Company, providing production flexibility from an additional and independent mining front, with the potential for future Gossan Valley Mineral Resources extensions from planned in-mine and near-mine exploration drilling, as well as a higher-grade replacement ore source for Scuddles.*
>
> *We remain committed to continuing the ramp-up of the high grade Xantho Extended orebody at Golden Grove, as well as reducing water levels on site at Capricorn Copper."*

[7] BUMA Australia Pty Ltd ACN 649 634 579 (**BUMA Australia**); Bukit Makmur Mandiri Utama Pte. Ltd. (**BUMA Singapore**); PT Bukit Makmur Mandiri Utama (**BUMA Indonesia**); PT Delta Dunia Makmur Tbk and its controlled entities (**DOID**).

[8] Comprised of Sept-Qtr-2024 cash balance of $60.2 million and undrawn offtake facility balance of $43.3 million (converted at AUDUSD 0.6932). Refer to "Quarterly Report for the Sept 2024 Quarter" released to the ASX announcements platform on 23 October 2024. Excludes impact of $21 million insurance proceeds. Refer to "Capricorn Copper Insurance Claim Update" released to the ASX announcements platform on 14 November 2024.

[9] Unlevered pre-tax net present value from commencement of construction activities. Gossan Valley forms part of the 29Metals consolidated tax base which includes group tax losses at 30-June 2024 of $140m and a further $187m of Capricorn Copper tax losses subject to an available fraction utilisation. Discount rate 9%, in line with discount rate applied to Golden Grove carrying value assessment for the 2024 Half-Year Financial Report released to the ASX announcements platform on 27th August 2024.

[10] Mine life is the number of years with metal production.

[11] Cautionary statement: The information in this release constitutes a production target for the Gossan Valley Project for the purposes of the ASX Listing Rules. The production target is based on a proportion of Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The production target for the Gossan Valley Project includes all the reported 2023 Probable Ore Reserves estimates for Gossan Valley Deposits Project Area. The production target includes relative portions of ore by category of Probable Ore Reserve (59%), Indicated Mineral Resources (13%) and Inferred Mineral Resources (28%). The Company is satisfied that the proportion of Inferred Mineral Resources is not the determining factor in project viability. Further information regarding 29Metals' Mineral Resource and Ore Reserve estimates is set out in the 29Metals' Offer Investor Presentation, released on the ASX announcements platform on 3 December 2024.

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Equity Raising

The Equity Raising will be conducted through an underwritten institutional placement ('**Placement**') and underwritten 1 for 1.43 accelerated non-renounceable entitlement offer, resulting in the issue of approximately 666.7 million New Shares, representing approximately 95.0% of the current issued capital of 29Metals.

The Offer price of $0.27 per share represents a:

- 16.0% discount to TERP of $0.32 based on the last closing price on 2 December 2024; and
- 27.0% discount to the last closing price of $0.37 on 2 December 2024.

Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares of 29Metals. 29Metals will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Major shareholder participation:

- AustralianSuper and BUMA[12] have committed to take-up their full pro-rata in the entitlement offer and subscribe up to $40.0 million and $62.1 million respectively, resulting in a pro forma holding in 29Metals of up to 18.0% for AustralianSuper, and 19.9% for BUMA;
- AustralianSuper has a right to nominate a Non-executive Director for appointment to the Board;
- BUMA has a right to nominate a Non-executive Director for appointment to the Board of 29Metals and has a right to nominate a second Non-executive Director[13] should its holding exceed 20% and provided there are no more than 8 directors on the Board;
- EMR Capital is not in a position to participate in the Equity Raising, however, remain highly supportive of 29Metals and have endorsed the Gossan Valley expansion and reset of balance sheet. EMR Capital will continue to be 29Metals' largest shareholder with a pro-forma holding of approximately 23.0% post Equity Raising.

Directors reserve the right to participate for their full or partial entitlement.

Jarden Australia Pty Ltd and Macquarie Capital (Australia) Limited ('**Underwriters**') are acting as joint lead managers, bookrunners and underwriters to the Equity Raising.

Placement

29Metals is undertaking a fully underwritten Placement of New Shares to eligible institutional shareholders and new institutional investors to raise $47.4 million. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer. Eligible shareholders will be invited to subscribe for 1 New Share for every 1.43 29Metals shares held, as at 7:00pm (Sydney time) on 6 December 2024 ('**Record Date**'). The Institutional Entitlement Offer will open today, Tuesday, 3 December 2024.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement. Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to certain new and existing institutional investors concurrently with the Placement and Institutional Entitlement Offer.

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferable.

[12] BUMA Australia Pty Ltd ACN 649 634 579 (BUMA Australia); Bukit Makmur Mandiri Utama Pte. Ltd. (BUMA Singapore); PT Bukit Makmur Mandiri Utama (BUMA Indonesia); PT Delta Dunia Makmur Tbk and its controlled entities (DOID).

[13] In the event that this results in 29Metals not having a majority of independent directors then the Board would undertake a review of the composition of the Board including the maximum number of directors under the Constitution. A process has commenced in relation to transitioning the Chair of the Board to an Independent Director.

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Retail Entitlement Offer

Eligible Retail Shareholders (as defined below) will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on 10 December 2024 and close at 5.00pm (Sydney time) on 19 December 2024.

Retail Shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on 6 December 2024 ('**Eligible Retail Shareholders**') will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet ('**Retail Offer Booklet**'). The Retail Offer Booklet and accompanying personalised entitlement and acceptance form are expected to be made available on Tuesday, 10 December 2024.

The Equity Raising is non-renounceable, and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect to entitlements they do not take up and their percentage equity interest in 29Metals will be diluted.

Further information

Further details of the Entitlement Offer are set out in the Offer Investor Presentation also lodged on the ASX today. The Offer Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

Key dates

Event	Date
Trading halt and announcement of the Offer	Tuesday, 3 December 2024
Placement and Institutional Entitlement Offer opens	Tuesday, 3 December 2024
Placement and Institutional Entitlement Offer closes	Wednesday, 4 December 2024
Announce results of the Institutional Entitlement Offer	Thursday, 5 December 2024
Trading halt lifted – shares recommence trading on ASX on an "ex-entitlement" basis	Thursday, 5 December 2024
Record Date for the Entitlement Offer	Friday, 6 December 2024
Despatch of Retail Offer Booklet and Entitlement and Acceptance Forms	Tuesday, 10 December 2024
Retail Entitlement Offer opens	Tuesday, 10 December 2024
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Wednesday, 11 December 2024
Allotment and trading on ASX of New Shares issued under the Placement and Institutional Entitlement Offer	Thursday, 12 December 2024
Retail Entitlement Offer closes	Thursday, 19 December 2024
Announce results of Retail Entitlement Offer	Tuesday, 24 December 2024
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 24 December 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 27 December 2024
Trading on ASX of New Shares issued under the Retail Entitlement Offer	Monday, 30 December 2024
Despatch of holding statements for New Shares to retail holders	Monday, 30 December 2024

Note: These timings are indicative only and subject to variation. 29Metals reserves the right to alter the timetable at any time, either generally or in particular cases, without notice, subject to the Listing Rules, Corporations Act and other applicable laws. Any extension of the closing date will have a consequential effect on the anticipated date for issue of the New Shares. In that event, the relevant application monies will be returned without interest in accordance with the Corporations Act. All references are to Sydney time.

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Refinancing of Senior Debt

During 2021, 29Metals completed a refinancing of its pre-IPO loan facilities by entering into new Group senior debt facilities (the '**Syndicated Facility Agreement**') [14], comprising:

- US$150 million Term Loan Facility;
- US$40 million Revolving Capital Facility ('**RCF**');
- A$58 million Environmental Bank Guarantee Facility; and
- A$2 million Letter of Credit Facility.

A binding Terms Sheet to amend and extend the Syndicated Facility Agreement has been agreed with Senior Lenders to (the '**Amended SFA**') providing for:

- an extension of the Term Loan and Letter of Credit Facilities from October 2026 to March 2028;
- simplification through consolidation of the RCF into the Term Loan Facility (and cancellation of the RCF);
- amendments to existing covenants to support investment into Gossan Valley; and
- a reduction in outstanding senior liabilities through a US$18 million prepayment at completion.

There are no other material amendments proposed to the Syndicated Facility Agreement.

Key terms of the Amended SFA are summarised below.

Term Loan Facility	**Pro-forma, 30 September 2024**
Current balance (30 September 2024)	US$83.5 million
Rollover of outstanding RCF (previous facility cancelled)	US$40.0 million
Prepayment from Equity Raising Proceeds	(US$18.0 million)
Pro-forma closing balance (30 September 2024)	US$105.5 million

Quarterly Amortisation Schedule (termination date extended to 31 March 2028)	
31 December 2024	US$2.5 million
31 March 2025	US$5.9 million
30 June 2025	US$5.9 million
30 September 2025	US$5.9 million
31 December 2025	US$5.9 million
31 March 2026	US$5.9 million
30 June 2026	US$5.9 million
30 September 2026	US$5.9 million
31 December 2026	US$5.9 million
31 March 2027	US$5.9 million
30 June 2027	US$5.9 million
30 September 2027	US$5.9 million
31 December 2027	US$5.9 million
31 March 2028	US$32.0 million

[14] Refer to: "*29Metals secures Refinance Commitments*" released to the ASX announcements platform on 30 September 2021 and "*29Metals Signs Refinance Facilities*" released to the ASX announcements platform on 21 October 2021.

Covenant Amendment	
Debt Service Cover Ratio	▪ Rollover of outstanding RCF amounts to be excluded from DSCR calculation ▪ Capital expenditure associated with investments at Gossan Valley within certain monetary limits to be excluded from DSCR calculation

Conditions Precedent

- Completion of Equity Raising
- Prepayment of senior loans of US$18 million
- Completion of full form loan amendment documentation
- Other market standard conditions

- ENDS -

Authorised for release by the Board of Directors

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IMPORTANT INFORMATION

IMPORTANT NOTICE

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares nor the entitlements may be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which the Company has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of any state or other jurisdiction of the United States.

FORWARD LOOKING STATEMENTS

This Announcement contains forward looking statements and comments about future events, including statements in relation to 29Metals' business plans and strategies, assets and reserves, operations, and future developments. Forward looking statements can generally be identified by the use of words such as, "**expect**", "**anticipate**", "**likely**", "**intend**", "**should**", "**could**", "**may**", "**plan**", "**propose**", "**predict**", "**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 the control of 29Metals, its directors and management. Relevant statements may prove to be incorrect, and circumstances may change, and the contents of this Announcement may become outdated as a result. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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. 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, and 29Metals does not give any assurance that the assumptions will prove to be correct.

Readers are cautioned not to place undue reliance on forward looking statements.

ASX INFORMATION – GOSSAN VALLEY PRODUCTION TARGET AND FORECAST INFORMATION DERIVED FROM PRODUCTION TARGET

The information in this Announcement regarding the production target (and forecast financial information derived from the production target) in relation to the Gossan Valley project is derived from 29Metals' ASX announcement "Gossan Valley investment decision" released to the ASX announcements platform today (a copy of which is available on 29Metals' website at: https://"www.29metals.com/investors/asx-announcements).

29Metals confirms that all material assumptions underpinning the production target (and forecast financial information derived from the production target) in that ASX announcement continue to apply and have not materially changed.

The Gossan Valley project Mineral Resource and Ore Reserve estimates (which underpin the Gossan Valley production target) are extracted below. Mineral Resources and Ore Reserve estimates for the Gossan Valley Deposits are a subset of the Golden Grove Mineral Resources estimates at 31 December 2023.

Full details of the Mineral Resources and Ore Reserve estimates contained in this Announcement are provided in 29Metals' ASX announcement entitled "2023 Mineral Resources and Ore Reserves Estimates" dated 23 February 2024. 29Metals confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the relevant Mineral Resource and Ore Reserve estimates in that announcement continue to apply and have not materially changed.

Gossan Valley Deposits Mineral Resources

Project Area	Deposit	Category	Tonnes	Grade					Contained Metal				
				Cu	Zn	Au	Ag	Pb	Cu	Zn	Au	Ag	Pb
			Mt	%	%	g/t	g/t	%	kt	kt	koz	koz	kt
Gossan Valley Deposits	Gossan Valley, Felix, & Conteville	Measured	0.0	0.2	5.2	0.3	10	0.0	0	0	0	0	0
		Indicated	2.8	1.0	6.5	0.7	13	0.1	28	180	64	1,196	3
		Inferred	2.6	1.1	4.8	0.5	24	0.2	29	128	42	2,006	5
		Total	**5.4**	**1.1**	**5.7**	**0.6**	**18**	**0.1**	**57**	**308**	**107**	**3,202**	**8**
	Grassi	Measured	-	-	-	-	-	-	-	-	-	-	-
		Indicated	1.4	1.1	7.2	0.5	15	0.2	15	103	21	675	3
		Inferred	0.2	1.2	2.8	0.5	19	0.1	3	6	4	138	0
		Total	**1.7**	**1.1**	**6.6**	**0.5**	**15**	**0.2**	**18**	**109**	**24**	**813**	**3**

Gossan Valley Deposits Ore Reserves

Project Area	Deposit		Tonnes	Grade					Contained Metal				
				Cu	Zn	Au	Ag	Pb	Cu	Zn	Au	Ag	Pb
			Mt	%	%	g/t	g/t	%	kt	kt	koz	koz	kt
Gossan Valley Deposits	Gossan Valley, Felix & Conteville	Proved	-	-	-	-	-	-	-	-	-	-	-
		Probable	1.0	1.2	6.7	1.0	11	0.1	12	64	31	350	1
		Total	**1.0**	**1.2**	**6.7**	**1.0**	**11**	**0.1**	**12**	**64**	**31**	**350**	**1**
	Grassi	Proved	-	-	-	-	-	-	-	-	-	-	-
		Probable	0.6	1.1	8.2	0.5	13	0.2	6	47	8	233	1
		Total	**0.6**	**1.1**	**8.2**	**0.5**	**13**	**0.2**	**6**	**47**	**8**	**233**	**1**

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