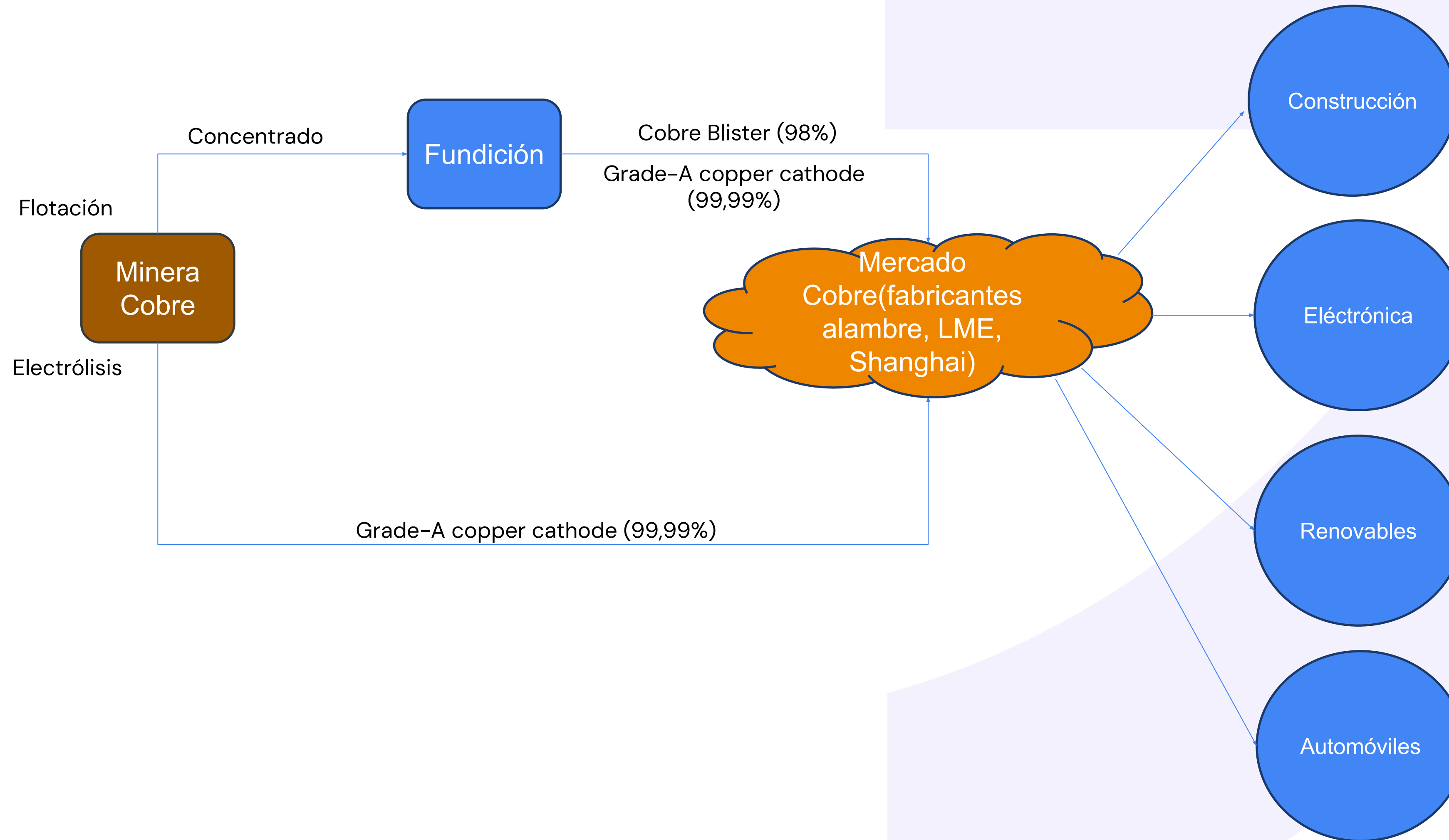


29Metals

Productor cobre australiano



Cobre: exceso de oferta de Smelters

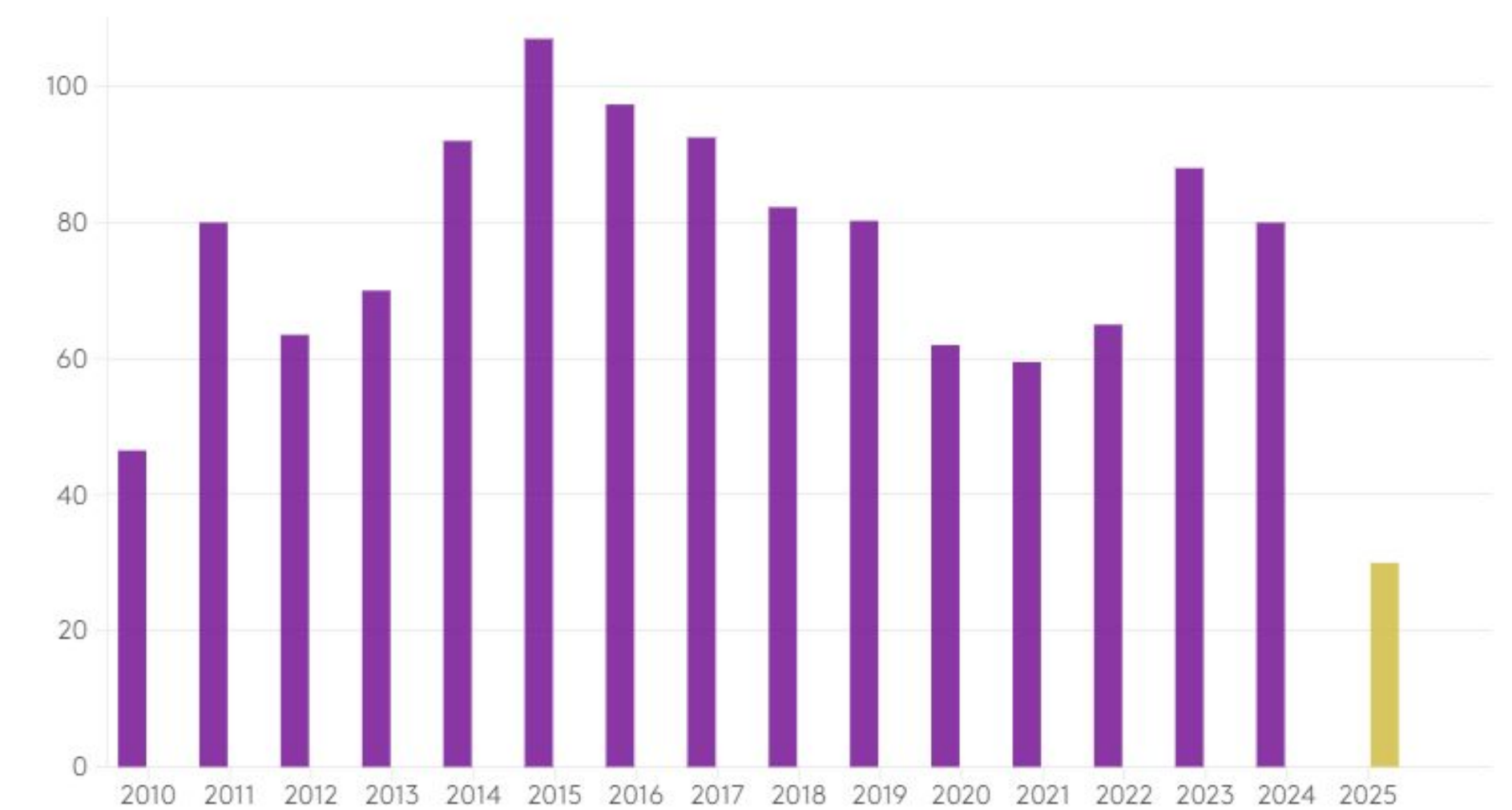


Cobre: exceso de oferta de Smelters

SHANGHAI – Chinese copper smelters are likely to further cut production, shut down or extend maintenance to cope with a severe shortage of raw material or concentrate supply next year, participants at a conference in Shanghai said on Wednesday.

Global mine disruptions and **smelters expanding capacity** at a fast pace have led to extreme competition for copper concentrate and pushed treatment charges – a gauge of concentrate availability – to historic lows.

Annual benchmarks since 2010
(\$ per tonne)



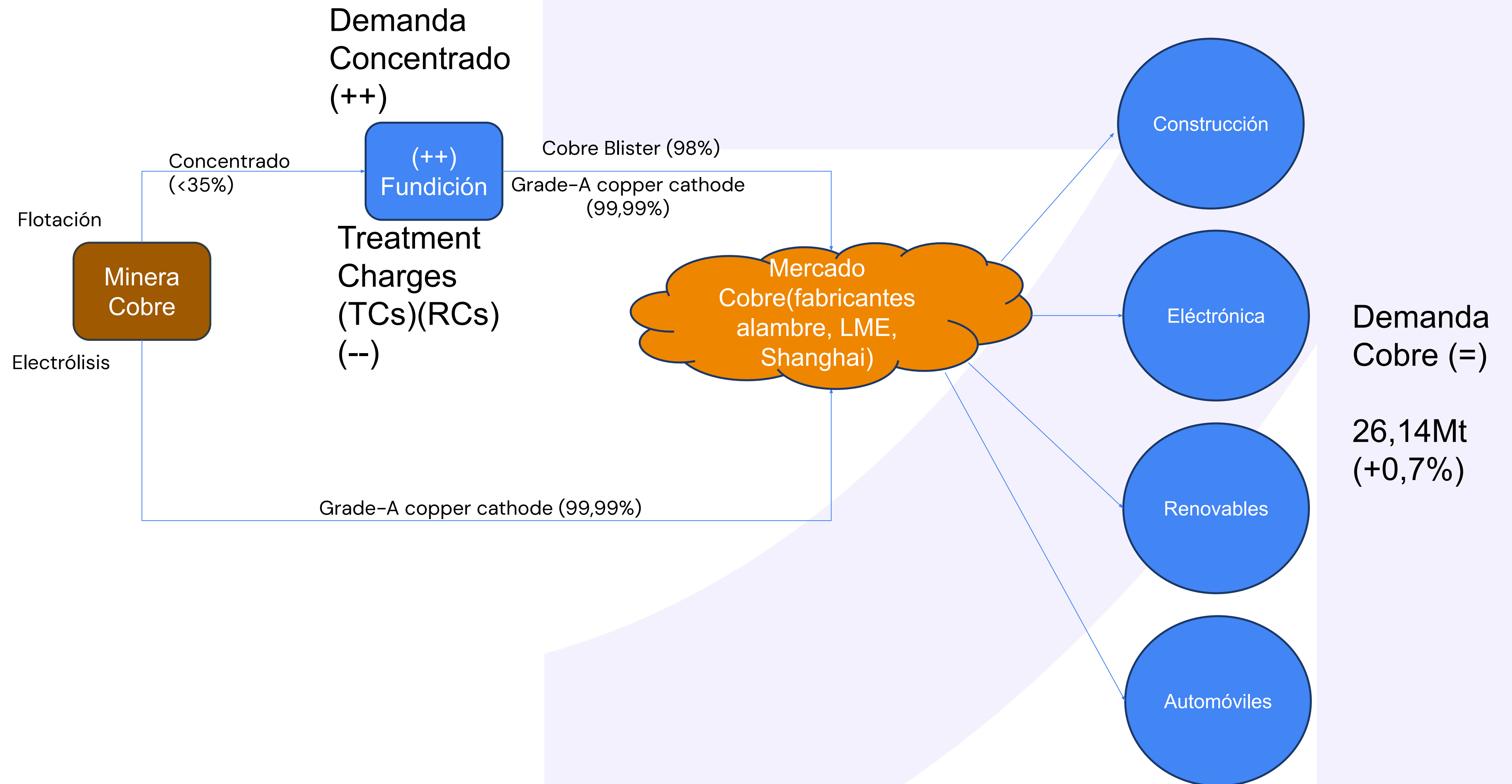
Source: [Fastmarkets](#)

Copper concentrate TCs have been at consistently low levels in 2024, remaining below \$10 per tonne since March and hitting a record low of \$(5) per tonne on June 21.

Smelter margins have been somewhat protected by far higher terms on an annual basis, however, with the copper concentrate benchmark for 2024 set at \$80 per tonne. And with most smelters having agreed to most of their tonnages at that level, the aggregate being paid for concentrates has consistently been far above \$10 per tonne, as has been the case throughout the year.

The expectation for 2025 is that supply tightness will cause the benchmark to tumble, with many market participants expecting a benchmark below \$30 per tonne.

Cobre: exceso de oferta de Smelters en 2024





- 2 minas underground (Golden Grove y Capricorn Copper) 100%
- Jurisdicción: Australia
- Vida de +10 años (1,8Mtpa / 2Mtpa) sin despeinarse
- Reservas 2P 16,7Mt@1,7% Cu, 4,7% Zn, 0,7g/t Au, 26 g/t Ag (277kt Cu, 780kt Zn, 368koz Au, 13.844 koz Ag) / 19Mt@1,7% Cu, 12g/t Ag (310kt Cu, 7.600 kt Ag)
- Cotiza en Australia
- Upside exploración

29Metals – Cotización vs Freeport Mc-Moran

silveBug publicado en TradingView.com, Nov 28, 2024 15:20 UTC+1



Post-Mortem

Post-Mortem: ¿Qué ha pasado? – Underperformance

Dec-Qtr Operating Performance

Following solid operating performance in the Dec-Qtr (to-date), 29Metals expects the following full year metal production and cost outcomes for 2022:

- Copper and zinc metal production are expected to be in the lower half of the guidance range for the full year, as previously indicated;
- Gold and silver metal production are expected to be at or above the top end of the guidance range for the full year; and
- Total capital and site costs (comprising mining, processing and G&A) are expected to be in the top half of the guidance range, while selling costs are expected to be at the bottom end of the guidance range. ¹

Post-Mortem: ¿Qué ha pasado? Impacto temporada lluvias

Impact of Extreme Rainfall on Capricorn Copper Operations

29Metals Limited ('29Metals' or, the 'Company') advises that all production and non-essential activity at the mine has been suspended at Capricorn Copper following extremely heavy rainfall on the evening of 7 March 2023 in excess of 200mm.

The wet season for northwest Queensland to-date has recorded rainfall significantly above average, including approximately 370mm total rainfall over the seven days to Wednesday, 8 March 2023, resulting in intermittent losses of access to Capricorn Copper by road. The extremely high rainfall on the evening of 7 March 2023 is expected to result in an extended loss of access to the site by road, impacting deliveries to site of production consumables.

The combination of the extremely high rainfall overnight and significantly above average rainfall for the wet season to-date has also resulted in a substantial increase in the volume of water held on site. Water held on site has been a long-standing challenge at Capricorn Copper, as previously reported, and the site team is focussed on water management activities including the release of treated water (as authorised under the Capricorn Copper environmental authority, subject to water quality parameters).

29Metals is also engaging with the Queensland Department of Environment and Science regarding the impact of the extreme rainfall being experienced.

The suspension of production and non-essential activities will impact production results for the current quarter. However, the safety of 29Metals' workforce and the management of water in accordance with 29Metals' environmental responsibilities are the highest priorities for 29Metals in the current circumstances.

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 takeaways:

- Significant increase in water held on site, including ~500 ML in Esperanza South underground mine ('ESS')
- Physical damage limited; key infrastructure impacted includes water treatment plant ('WTP'), site workshop and warehouse
- Processing plant materially undamaged
- Multiple recovery scenarios evaluated – expected to involve phased recovery:
 - initial restart with Mammoth/Greenstone (mid Sep-Qtr 2023)
 - ESS restart (mid-H1 2024)
- Water quality management, reduction of site water inventory, and dewatering and rehabilitating ESS are key drivers of recovery timetable
- Opportunities to improve recovery timetable and Capricorn Copper's operating and financial profile post recovery
- Substantial liquidity (before any insurance proceeds) to support recovery
- Further update, including impact of recovery on guidance, expected by mid-May

El 1 de Agosto ciertamente Capricorn Copper reactivó su operación (parcialmente, solo UG)

Comprehensive Funding Plan

Expected to fully fund the Capricorn restart, comprising \$151m entitlement offer and amended corporate debt facilities

Equity raising overview	<ul style="list-style-type: none">29Metals has launched a \$151m underwritten 1 for 2.20 pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer")The Entitlement Offer will be conducted at \$0.690 per New Share ("Offer Price"), representing a:<ul style="list-style-type: none">5.6% discount to TERP¹ of \$0.731 as at 29 August 2023¹8.0% discount to last close of \$0.750 per share as at 29 August 2023; andThe proposed equity raising is supported by 29Metals' largest shareholder group, being EMR Capital Investors² which holds 44.85% of 29Metals' shares on issue<ul style="list-style-type: none">EMR Capital Investors have committed to take up their pro-rata entitlement, which represents \$67.8 million of new shares³
Support from Senior Lenders	<ul style="list-style-type: none">29Metals has engaged closely with its lenders following the extreme weather event at Capricorn Copper in early March 2023Following covenant relief being provided at 30 June, lenders have provided key covenant relief through to 31 December 2024 supporting recovery spend profile⁴Agreed to a revised amortisation profile to accelerate deleveraging
Insurance proceeds⁵	<ul style="list-style-type: none">29Metals is progressing insurance claim for property damage and business interruption arising from the extreme weather event in March 2023Insurers have confirmed indemnity for damage to surface facilities and associated business interruption⁶Initial \$24 million progress payment for surface damage and lossCover for underground damage and loss not agreed. 29Metals continues to engage with insurers regarding the underground component of the claim
Use of proceeds	<ul style="list-style-type: none">Funding to support Capricorn Copper RecoveryAdditional proceeds for working capital and Golden Grove capital projectsBalance sheet repair following extreme weather event

Capricorn Copper – Suspension of Operations

29Metals Limited ('29Metals' or, the 'Company') today announced the suspension of operations at Capricorn Copper.

29Metals will hold a conference call and webcast to discuss today's announcement, commencing from 9.00am (Melbourne time) on Tuesday, 26 March 2024. Details for the conference call and webcast are set out at the end of this release.

The decision to suspend operations follows an extended period of rainfall between late January and mid-March 2024, as a result of the weather in the region following consecutive tropical cyclones, resulting in a steady accumulation of water in regulated structures on site to levels now similar to the levels following the March 2023 extreme weather event.

With water at these levels, dewatering of Esperanza South underground mine ('ESS') cannot continue which, in turn, delays the restart of mining at ESS as part of the Capricorn Copper Recovery Plan.¹

Having regard to the impact of the delay to the restart of mining at ESS, current water levels on site and the operational performance since August 2023, the suspension of operations is the prudent path – 29Metals' priorities are to protect our people, manage our environmental responsibilities, conserve cash and retain value.

29Metals Limited ('29Metals' or, the '**Company**') advises that the full form documentation for the US\$50 million copper and zinc concentrates offtake finance facility (the '**Offtake Facility**') with Glencore International AG ('**Glencore**') has been completed and executed by the parties.

Consistent with the terms in the agreed binding terms sheet announced by the Company to the ASX announcements platform on 22 April 2024, the key terms of the Offtake facility are as summarised below.

Key terms

Facility size	US\$50 million
Maturity	1 October 2028 (available for draw down until April 2028)
Interest	SOFR plus margin Only to be cash paid on the satisfaction of DSCR and minimum liquidity tests
Amortisation	Repayment in equal monthly instalments commencing April 2028
Security	Secured facility, fully subordinated to the Company's senior lenders
Offtake	Long term offtake for copper and zinc concentrates on market-based terms
Other	Interest rate increased by 2.0% when not cash paid Other terms in line with market

Drawdown of the Offtake Facility is subject to satisfaction of customary conditions precedent.

Post-Mortem: ¿Qué ha pasado? Endeudamiento

Consolidated Statement of Financial Position

	Note	30 June 2024 S'000
Current assets		
Cash and cash equivalents		84,704
Trade and other receivables		28,556
Inventories		97,518
Other financial assets		12,520
Prepayments		4,048
Total current assets		227,346
Non-current assets		
Prepayments		3,059
Inventories		-
Exploration and evaluation expenditure	12	30,761
Mine properties	13	390,226
Property, plant and equipment	14	185,626
Right-of-use assets		51,546
Intangible assets		56
Total non-current assets		661,274
Total assets		888,620

Current liabilities		
Trade and other payables		131,389
Interest-bearing liabilities	16	74,900
Derivative financial liabilities		12,006
Lease liabilities		23,904
Provisions		13,242
Total current liabilities		255,441
Non-current liabilities		
Interest-bearing liabilities	16	141,896
Derivative financial liabilities		3,439
Lease liabilities		29,256
Provisions		142,940
Total non-current liabilities		317,531

The Group met its minimum cash balance covenant of US\$25,000,000 at 30 June 2024 which, pursuant to waivers provided by the Group's lenders on other covenants, is the only financial covenant requirement at 30 June 2024 for both the senior debt and the finance facility with Glencore (refer to Note 16).

The Group has continued to take steps during the Reporting Period to manage its access to liquidity, including:

- on 10 June 2024, the Group entered into the Mezzanine Loan Note facility for US\$50,000,000. The Group drew down US\$20,000,000 on 20 June 2024 (refer to Note 16); and
- the Group satisfied its annual clean-down requirement for its working capital facility between 19 March 2024 to 21 March 2024 and subsequently redrew US\$40,000,000 of the working capital facility which remains outstanding at 30 June 2024 (refer to Note 16).

Post-Mortem: Conclusiones

Underperformance

Desastre natural

Cierre temporal operaciones
(+2025)

CAPEX

Incertidumbre sobre ampliación
de capital

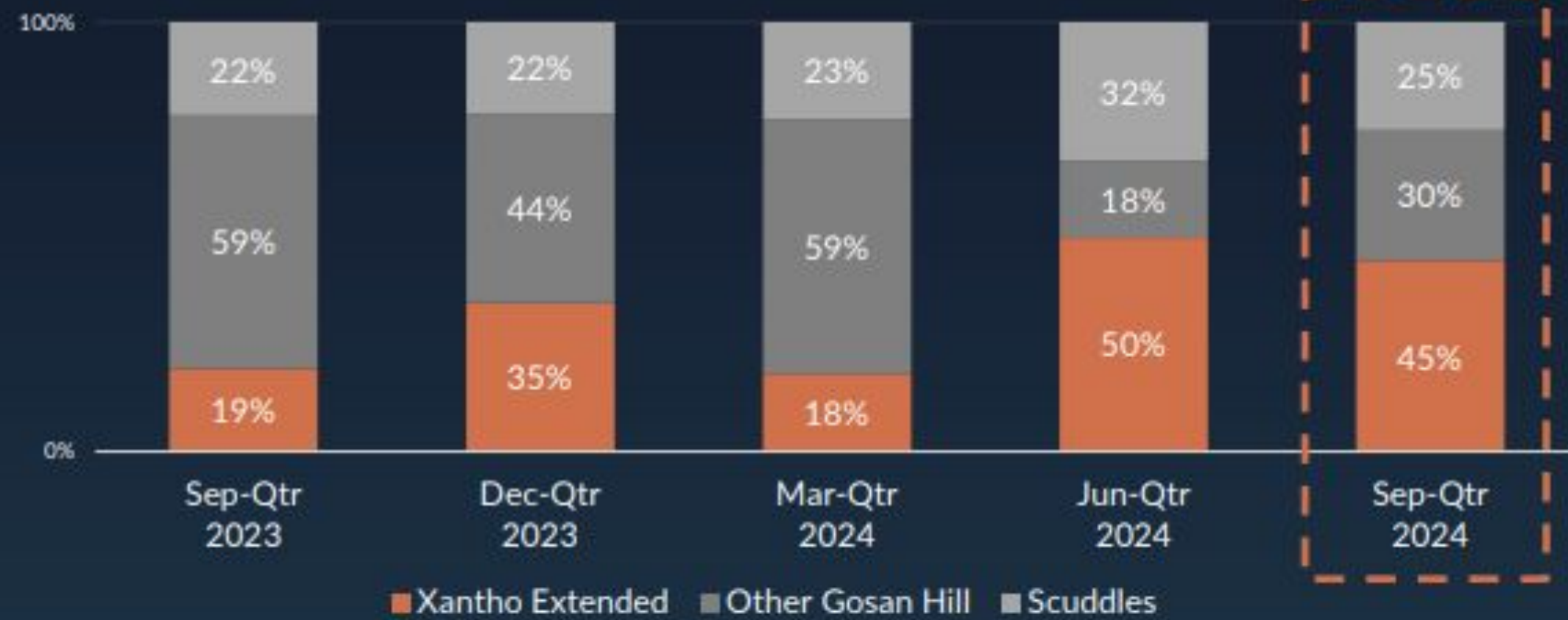
Endeudamiento

Foto actual



→ Incluye créditos de Zinc

Ore mined contribution by source (%)



Copper Production (kt)



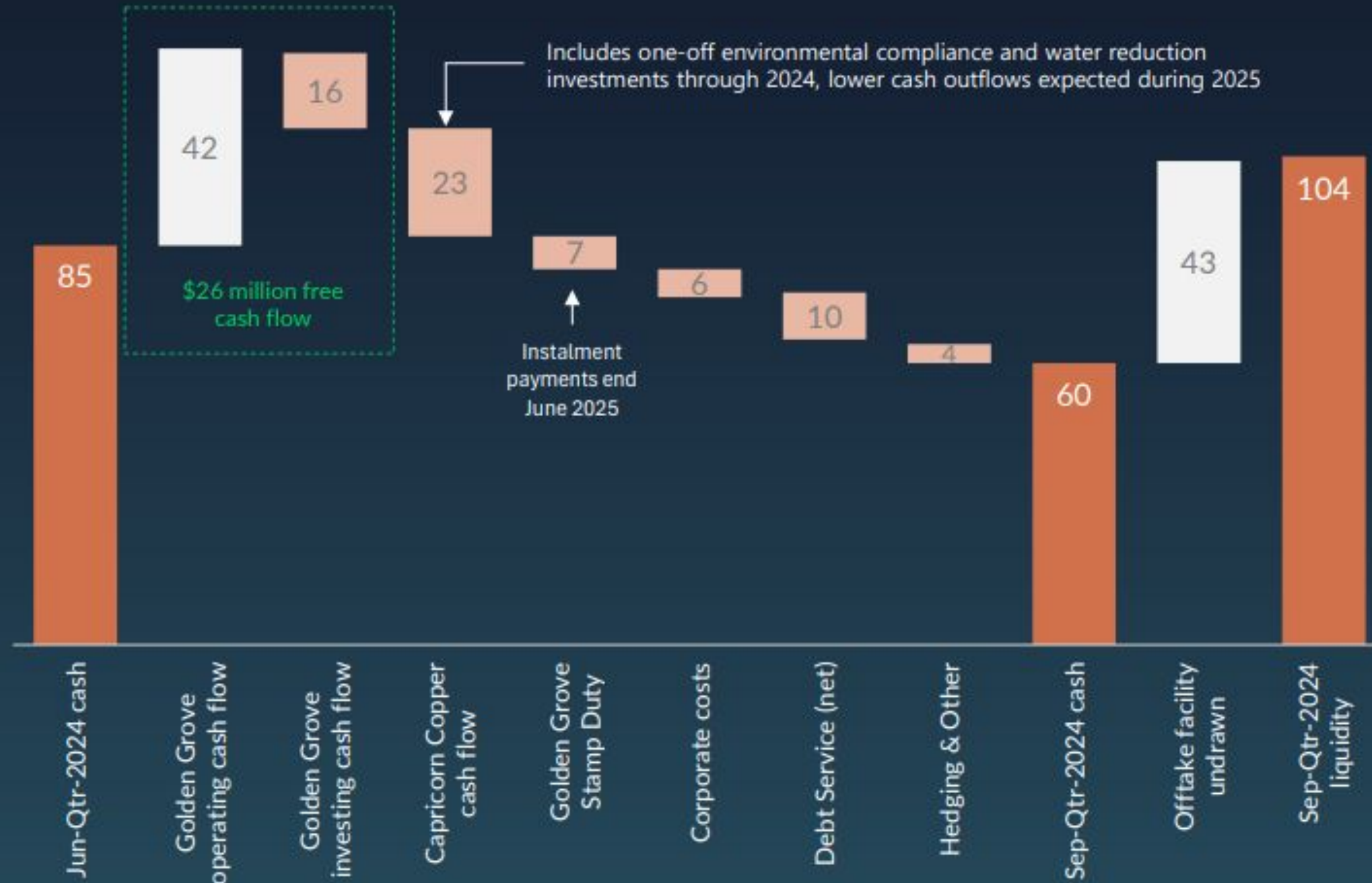
Sep-Qtr Comments

- TRIF¹ and LTIF¹ of 11.6 (Jun-Qtr: 10.3) and 1.6 (Jun-Qtr: 1.6), respectively.
- Xantho Extended development of 692 metres (Jun-Qtr: 930 metres).
- Ore mined 347kt (Jun-Qtr: 352kt); Ore milled 355kt (Jun-Qtr: 385kt).
- Copper production of 4.4kt (Jun-Qtr: 6.4kt).
 - Grade milled 1.4% (Jun-Qtr: 1.9%); Recovery 84.9% (Jun-Qtr: 85.7%).
- Zinc production of 19.1kt (Jun-Qtr: 15.3kt).
 - Grade milled 6.3% (Jun-Qtr: 4.8%); Recovery 85.3% (Jun-Qtr: 82.5%).

Zinc Production (kt)



Unaudited group cash and cash equivalents, and available liquidity (\$ million)¹



Sep-Qtr-2024 Comments

- Golden Grove operating cash flows and free cash flows of \$42 million and \$26 million, respectively.
- Hedging & Other costs include \$2.5 million of hedging payments, elevated compared to prior quarters due to ongoing gold price strength and retiring of pre-IPO gold hedges.
- Unaudited available cash at 30 September 2024 of \$60 million (30 June 2024: \$85 million).
- Unaudited available group liquidity at 30 September 2024 of \$104 million (30 June 2024: \$130 million).
- 2024 guidance unchanged.

Imperative	Objective	
Short-term water reduction	Sustainable reduction of water levels on site	2024/2025 wet season preparedness an immediate priority
Long-term water solutions	Infrastructure to enable a sustainable long-term site water balance upon restart	Commitments to be aligned with progress on short-term water reductions
Life of Mine Tailings Capacity	Derisked 10+ years of tailings storage capacity	

Reduction of 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.

Key water management projects

Mill Creek Dam ('MCD') water treatment and release infrastructure (complete)



Repurpose of process plant as interim water treatment plant (commissioning post quarter end)



Refurbished lime plant (complete)



Select environmental compliance projects

Enhanced water diversion infrastructure (complete)

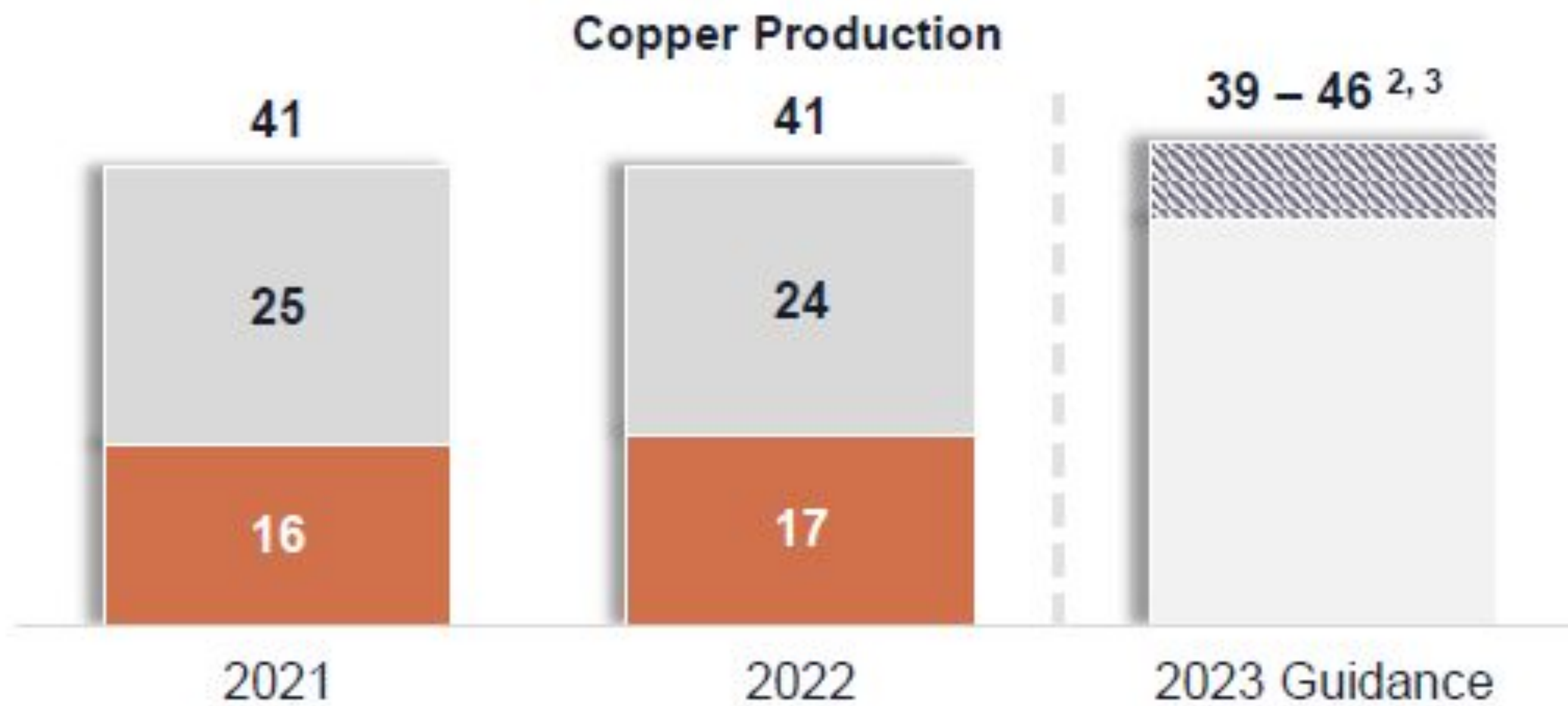


Interception sump (in progress)



Copper & Zinc Production (kt)

■ Golden Grove ■ Capricorn Copper ▨ Guidance



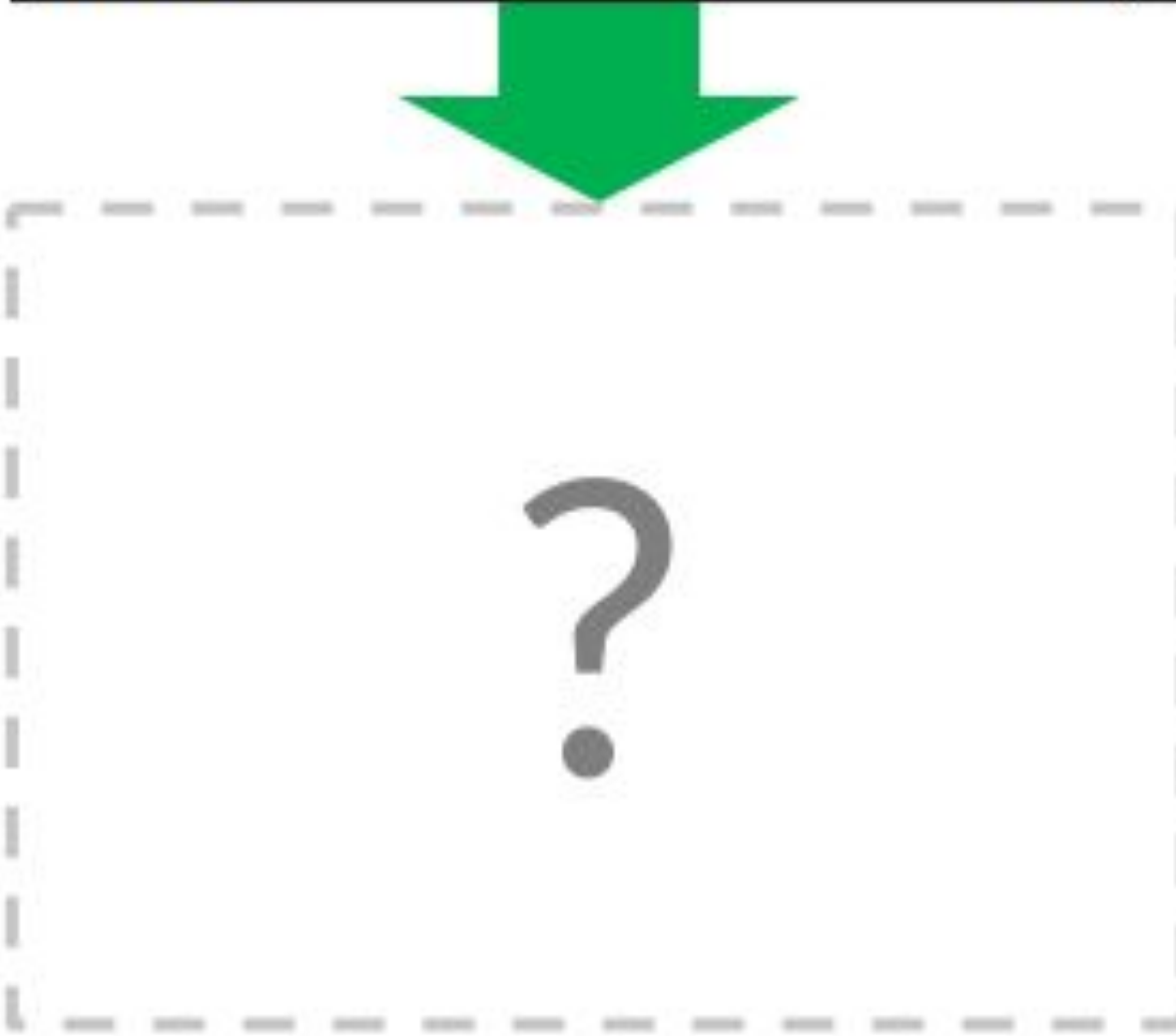
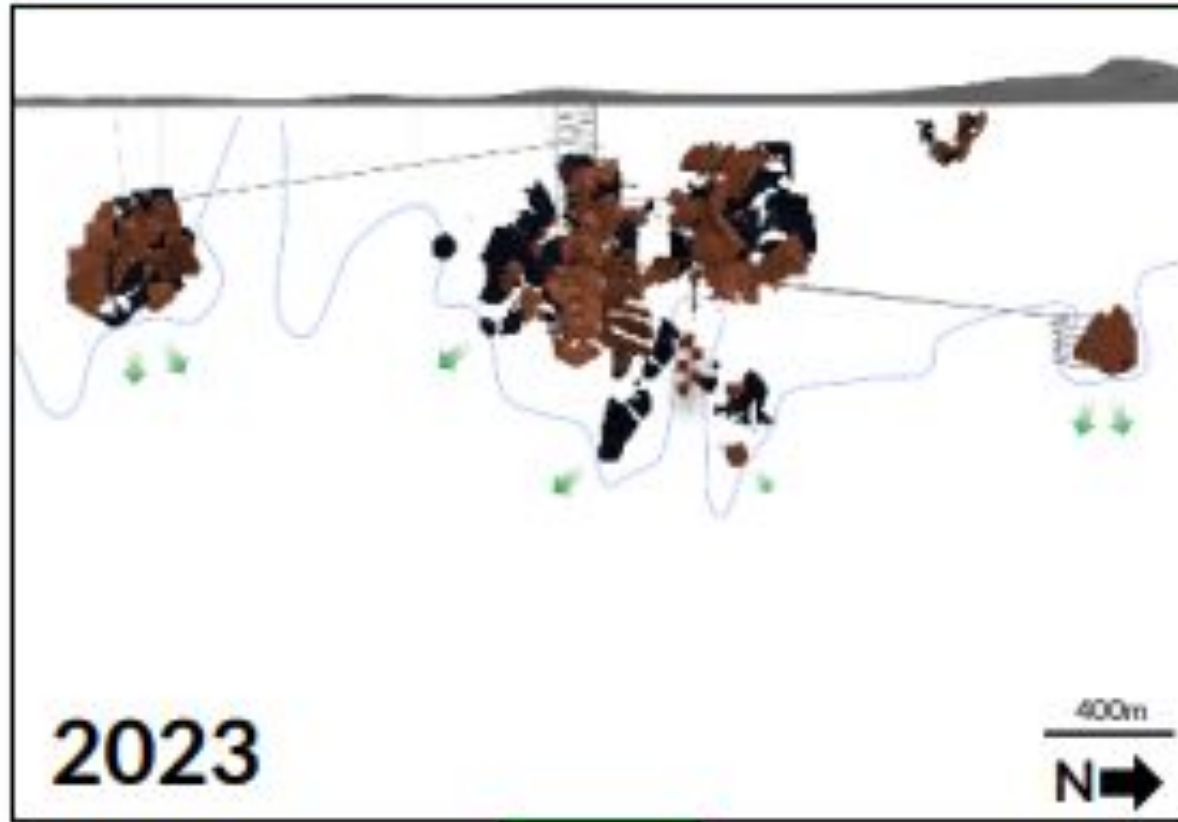
Estamos hablando de un productor de +40kt cobre / año
Un productor intermedio, con dos activos

12 months ended 31-Dec	UNITS	STATUTORY	
		2022	2021
Revenue ¹	\$'000	720,688	600,762
EBITDA ²	\$'000	151,579	177,291
<i>D&A</i> ⁴	\$'000	(189,399)	(100,124)
<i>Net finance costs</i>	\$'000	(19,172)	(30,262)
<i>Loss on derivatives & unrealised FX</i>	\$'000	(8,824)	(29,128)
<i>Income tax benefit / (expense)</i>	\$'000	18,594	103,236
NPAT	\$'000	(47,222)	121,013
Operating cashflow	\$'000	155,690	75,098
Average Copper price ⁵	US\$/t	8,823	9,305
Average Exchange rate ⁵	AUD:USD	0.695	0.752

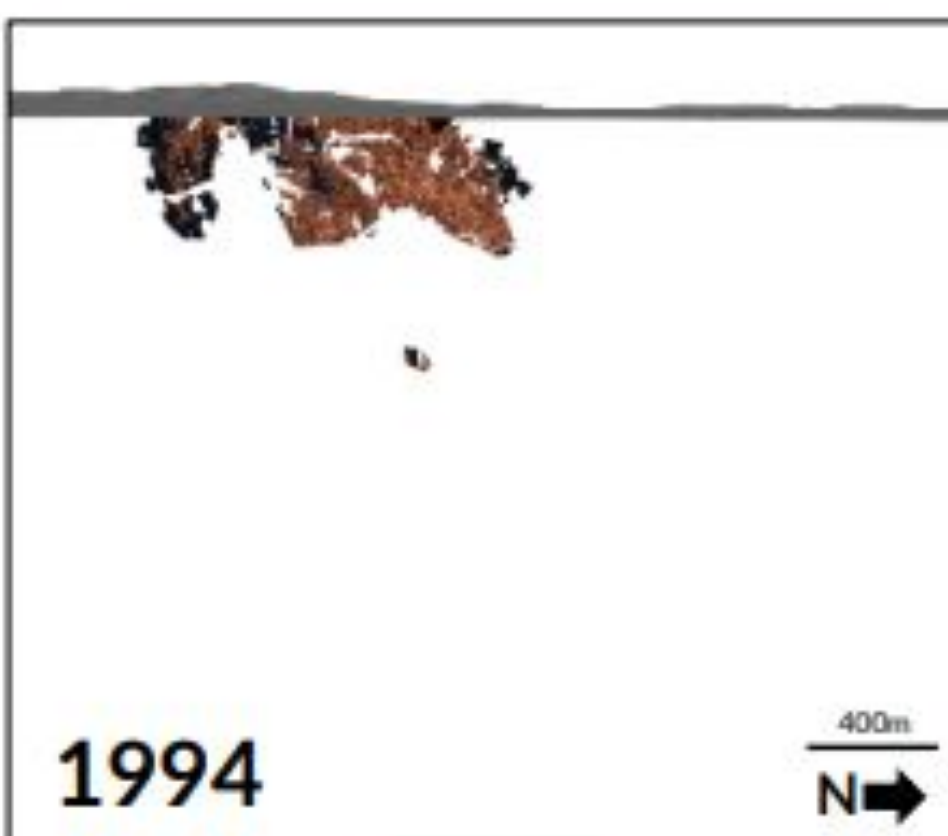
A 6 veces EBITDA sale un valor de unos 900 millones (actualmente cotiza a un EV de 436M)

Potencial exploración

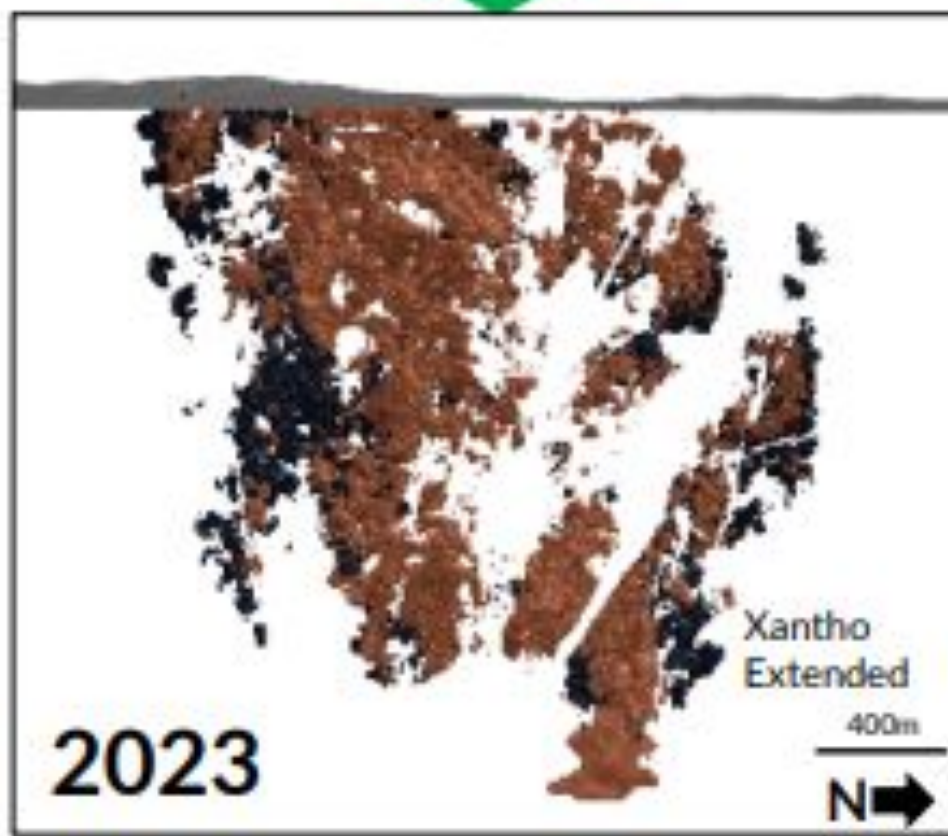
Gossan Valley¹



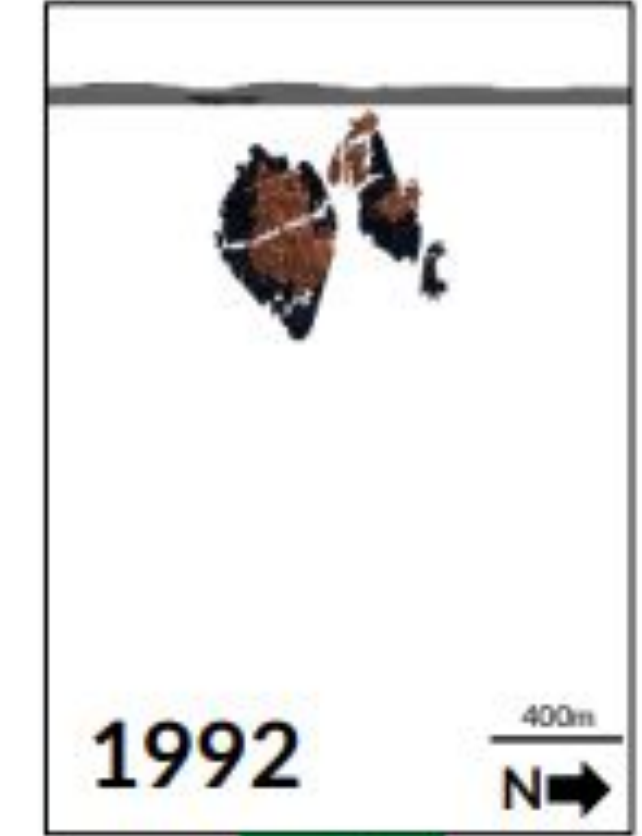
Gossan Hill



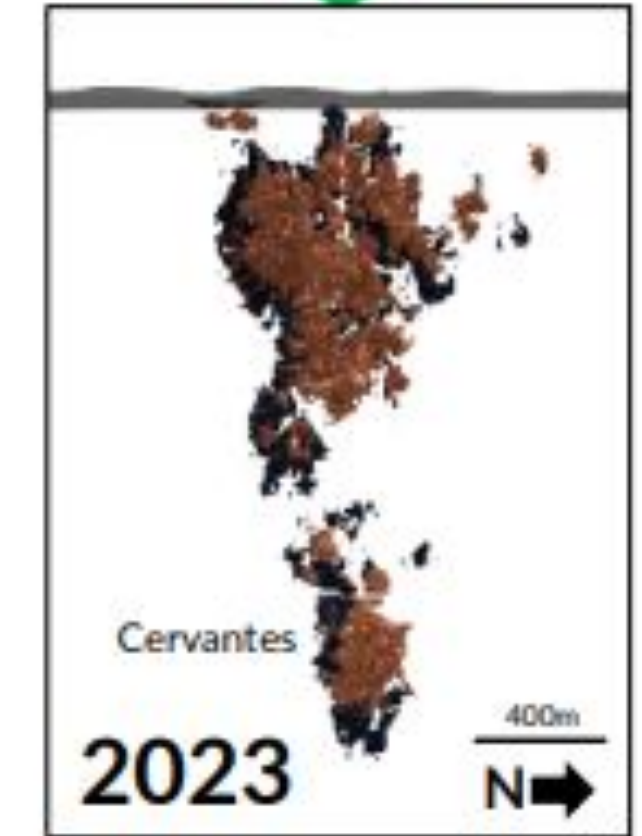
29 Years



Scuddles



31 Years



Highlights¹:

- Exploration drilling results have confirmed continuity and orientation of a new mineralised zone east of the Mammoth orebody (named 'Woolly'), results included:
 - UDMAM24_02B: 47m @ 1.1% Cu, 3g/t Ag, 60ppm Co, from 567m
 - Including, 7.2m @ 4.8% Cu, 10g/t Ag, 199ppm Co, from 583.3m
- Resource Extension drilling intercepted high-grade copper mineralisation along strike outside of the existing Mammoth Mineral Resource estimates², including:
 - UDMAM24_001: 45.4m @ 2.5% Cu, 9g/t Ag, 161ppm Co, from 345m
- Exploration drilling results build on the March quarter 2023 drilling program results, which included³:
 - UDMAM22_110: 228.0m @ 1.2% Cu, 3g/t Ag, 50ppm Co, from 427m
 - Including 36.0m @ 3.9% Cu, 6g/t Ag, 188ppm Co, from 427m
 - UDMAM22_104: 103.0m @ 1.2% Cu, 4g/t Ag, 67ppm Co, from 493m
 - Including 34.8m @ 1.7% Cu, 7g/t Ag, 131ppm Co, from 561.2m
- Woolly is within 310m of existing development at Mammoth and remains open up and down dip and along strike.
- Mineralisation intercepted by Resource Extension drilling remains open along strike to the north.
- Future drill programs, to be determined, would seek to define the extent of the Woolly mineralised zone up dip and target extensions to the Mammoth Mineral Resources estimates².

The results reported today are not included in 29Metals' updated Mineral Resources & Ore Reserves estimates² at 31 December 2023 (reported on 23 February 2024).

Foto actual: Conclusiones

Resultados

Queman caja aunque parece que los mayores proyectos de CAPEX están ya ejecutados (para reducir el nivel de agua)

El proyecto que les queda genera caja positiva a estos precios del cobre

Valor

Es una empresa que tiene una cantidad grande de valor bloqueado en Capricorn Copper

Tesis de inversión

Esta minera entra dentro de la categoría de alto riesgo ya que está quemando caja actualmente y no hay indicios de que la situación se revierta.

Para mí ahora mismo no es ventajoso estar invertido en esta empresa ya que existe incertidumbre en:

- Si van a tener apoyo regulatorio que les permita enviar a cauces naturales agua de inundaciones a un flujo mayor que el actual.
- Si el flujo de cada de la operación les va a permitir continuar por encima de los niveles de cash que exigen los covenant.
Factores: precio del cobre, producción y costes/CAPEX
- Al margen del punto 1, ¿Qué va a pasar durante la temporada de lluvias de 2025?

Eventos que nos pueden llevar a invertir en esta empresa:

- Apoyo regulatorio (de verdad, aprobando medidas que les permita revertir situaciones de inundación de manera rápida)
- Superar la temporada de lluvias de 2025
- Aumento sustancial en el precio del cobre -> es una empresa con mucho apalancamiento.

¿Cómo vigilar el mercado australiano?

HotCopper

SRR 3.3¢ +17.9% NGX 20.0¢ +17.6% G50 23.5¢ +17.5% EPX 2.1¢ +16.7% BGT 4.3¢ +16.2%

Latest Top Rated Most Discussed Gainers

All Posts **Watchlist Posts**

- WR1** WR1 General Discussion
18:44 in ASX - By Stock by Helios11 8.2M 0
- ARV** Presentations, Media and Research
14:22 in ASX - By Stock by neutro 1.5k 2
- MAY** ~250 b/d ? heavy-crude ... door to ~0.010 maybe wid...
13:09 in ASX - By Stock by fishmarket 10.8k 0
- WR1** WR1 General Discussion
12:37 in ASX - By Stock by tommyxu 8.2M 3
- IXR** General Chat / Discussion
10:15 in ASX - By Stock by roblun 4.3M 7
- MAY** ~250 b/d ? heavy-crude ... door to ~0.010 maybe wid...
09:49 in ASX - By Stock by Sharetrader78 10.8k 0

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HotCopper Watchlist

- 29M (ASX)**
29METALS LIMITED 36.0¢ ▼-0.01(-2.7%)
Last post: Today 02:09
- ADT (ASX)**
ADRIATIC METALS PLC \$4.13 ▲+0.01(+0.2%)
Last post: Today 03:25
- AL8 (ASX)**
ALDERAN RESOURCES LIMITED 0(0.0%)
Last post: Today 02:29
- ARV (ASX)**
ARTEMIS RESOURCES LIMITED 1.0¢ ▲+0.002(+25.0%)
Last post: Today 14:22
- BCB (ASX)**
BOWEN COKING COAL LIMITED 0.8¢ ▲+0.001(+14.3%)
Last post: Today 12:09
- BDG (ASX)**
BLACK DRAGON GOLD CORP. 3.6¢ ▼-0.003(-7.7%)
Last post: Today 00:27
- EEL (ASX)**
ENRG ELEMENTS LTD 0.1¢ 0(0.0%)
Last post: Tuesday 10:06
- HFR (ASX)**
HIGHFIELD RESOURCES LIMITED 28.0¢ ▼-0.01(-3.5%)
Last post: Wednesday 01:11
- IXR (ASX)**
IONIC RARE EARTHS LIMITED 0.7¢ ▲+0.001(+16.7%)
Last post: Today 10:15
- MAY (ASX)**
MELBANA ENERGY LIMITED 2.9¢ 0(0.0%)
Last post: Today 13:09
- MEI (ASX)**
METEORIC RESOURCES NL 9.3¢
Last post: Today 08:47
- MLX (ASX)**
40.0¢

Edit watchlist

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HotCopper Notifications

- ASX News**
NWC (ASX) - Ann: Notification regarding unquoted secu...
Today 09:39
- ASX News**
MTM (ASX) - Ann: Initial Director's Interest Notice - M W...
Today 09:18
- ASX News**
MTM (ASX) - Ann: Final Director's Interest Notice - D Izz...
Today 09:18
- ASX News**
WR1 (ASX) - Ann: Results of Meeting
Today 08:46
- ASX News**
WR1 (ASX) - Ann: Chairman's Address
Today 07:57
- ASX News**
IXR (ASX) - Ann: Proposed issue of securities - IXR
Today 06:45
- ASX News**
BCB (ASX) - Ann: AGM Results
Today 04:34
- ASX News**
BCB (ASX) - Ann: AGM Chairman's Address
Today 03:45
- ASX News**
BCB (ASX) - Ann: AGM Presentation
Today 01:45
- ASX News**
BCB (ASX) - Ann: Leadership changes
Today 01:36
- ASX News**
BCB (ASX) - Ann: First Run-Of-Mine Coal Mined at Plumtre...
Today 00:15
- ASX News**
MLX (ASX) - Ann: Update - Notification of buy-back - MLX

Mark all as read

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