

29

Metals





## MESSAGE FROM 29METALS' CFO

# 29METALS LIMITED ('29METALS') IS PLEASED TO PRESENT ITS THIRD TAX TRANSPARENCY REPORT ('REPORT') FOR THE YEAR ENDED 31 DECEMBER 2024 ('FY24').

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VISIT OUR WEBSITE FOR MORE  
INFORMATION ABOUT 29METALS

## 29METALS ACKNOWLEDGES THE FIRST NATIONS PEOPLE, THE TRADITIONAL CUSTODIANS OF THE LAND ON WHICH WE WORK THROUGHOUT AUSTRALIA.

We pay our respects to their Elders past and present, and extend that respect to Aboriginal and Torres Strait Islander peoples today. We recognise their connections to land, water and community, and their rich contribution to society.

We specifically acknowledge the Boon Warrung and Woimurrung (Wurundjeri) People of the Kulin Nation, the traditional custodians of the lands where our head office is located, the Badimia People and the Southern Yamatji Nation – Widi mob who are the traditional custodians of the land where the Golden Grove Mine is located, and the Kalkadoon People, the traditional custodians of the land where the Capricorn Copper Mine is located.

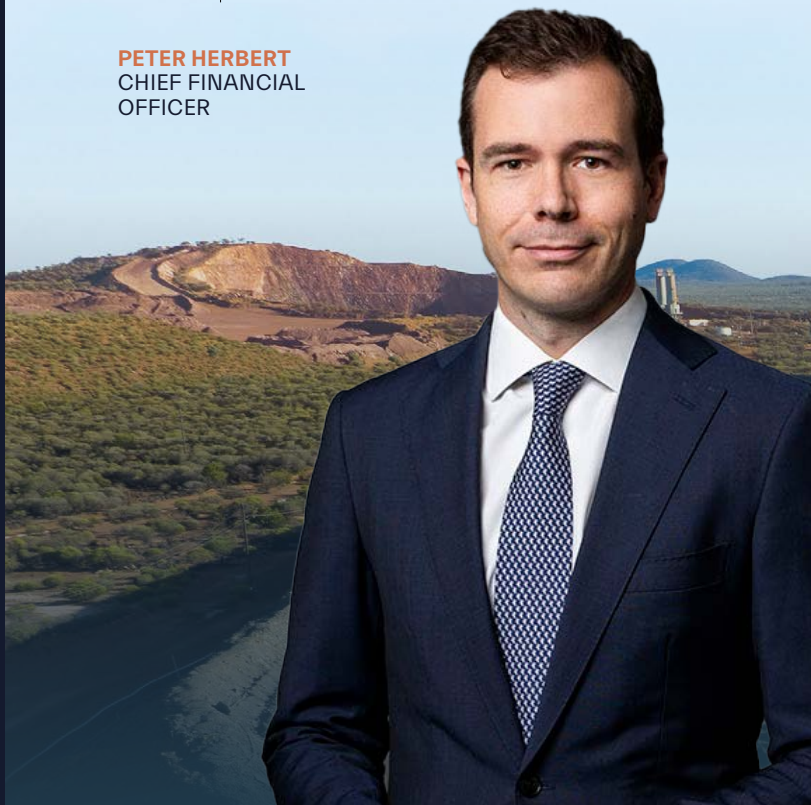
The Report is published on a voluntary basis, in line with 29Metals' Corporate Governance framework. 29Metals is committed to strong and effective governance and supports the Tax Transparency Code ('TTC') developed by the Board of Taxation to guide public disclosure of additional tax information.

At 29Metals, we are committed to caring for our people, fostering strong community relationships and minimising our environmental impact. Our aim is to build trust with investors, customers and communities. Our commitment to continuous improvement challenges us to deliver better outcomes for our stakeholders year after year. We do this by open and transparent communication with all our stakeholders including on matters relating to taxation, payment of mining royalties and other taxes.

This Report provides information on 29Metals' tax affairs for FY24, including our tax strategy and governance, effective tax rate, Australian tax contributions and international dealings. This Report should be read in conjunction with our Annual Consolidated Financial Statements of 29Metals and its controlled entities for FY24 which is available on the Company's website ([www.29metals.com](http://www.29metals.com)).

The information provided in this Report is released voluntarily per the recommendations and guidelines contained in the Board of Taxation's Voluntary TTC.

**PETER HERBERT**  
CHIEF FINANCIAL  
OFFICER



## ABOUT 29METALS

### COMPANY DESCRIPTION

29Metals is a copper focused base and precious metals mining company. We explore for, develop and produce metals in the form of mineral concentrate sold to commodity trading firms or smelters, for refining and on-sale as a refined metal product for end use.

The Company's assets comprise the Golden Grove mine in Western Australia (copper, zinc, lead, gold and silver) and the Capricorn Copper mine in Queensland (copper and silver, currently in suspension). In addition, the 29Metals Group<sup>1</sup> has regional exploration opportunities at Golden Grove and Capricorn Copper as well as a strategic tenement package in Redhill located in Chile.

Producing metals critical to the energy transition sits at the heart of 29Metals' strategy. Central to this mission is copper – a critical future facing metal to enable the global transition towards electrification. Our copper-focused assets position us well to help transition to a lower emissions future.

29Metals is headquartered in Melbourne and maintains a presence in Perth and Brisbane, in support of our operations.

### OUR VISION & STRATEGY

29Metals' vision and strategy remains to be a leading ASX-listed copper producer, developer, and explorer, offering investors exposure to attractive market dynamics for copper and other metals critical to the global energy transition.

The Group's strategy is focused on delivering against our operating plan and converting our pipeline of organic growth opportunities. 29Metals' near-term priorities include:

- Ensuring the Health & Safety of all of the Group's employees and contractors;
- Ongoing productivity improvements and cost discipline across the Group's operations;
- Maximising operating cash flow at Golden Grove;
- Delivering the Gossan Valley project to optimise the Golden Grove life of mine; and
- Progressing the imperatives for a successful and sustainable restart of Capricorn Copper, including ongoing water inventory reductions and a long-term tailings storage solution.


### OUR VALUES

29Metals has developed and adopted a suite of corporate governance policies that enshrine 29Metals' Values and clearly outline what we expect of each other and what others can expect of us.

1. In this document, a reference to the Group is a reference to 29Metals Limited and its wholly owned subsidiaries.

## OUR VALUES

What we will expect of each other and what others can expect of us

<b>T</b>	<b>TRANSPARENCY</b>	We will communicate openly and clearly with each other, our shareholders, regulatory stakeholders, business partners and the community
<b>E</b>	<b>EXCELLENCE</b>	We will strive for excellence in all that we do through a focused approach on mining fundamentals and a commitment to sustainability
<b>A</b>	<b>ACCOUNTABILITY</b>	We will do what we say we will do. We will drive personal ownership and accountability across all levels of the Company, ensuring that we all understand the role we play in the success of 29Metals
<b>M</b>	<b>MUTUAL RESPECT</b>	We will embrace diversity and deeply respect the differences and different perspectives of our workforce, our stakeholders and the community. We will earn the respect of our stakeholders and the community through our actions
<b>S</b>	<b>SAFETY FIRST</b>	Safety is non-negotiable – always front of mind in everything we do
	<b>TEAMS</b>	The keystone of our Values – <b>collaboration</b> – across our workforce, with the community and our other stakeholders



## TAX POLICY, STRATEGY AND GOVERNANCE

29Metals has implemented a robust tax risk management framework, which includes a Board endorsed Tax Policy and a Tax Risk Management Framework. In 29Metals' Tax Policy, the Board of Directors has made the following commitments:

- Maintaining the integrity and reputation of 29Metals;
- Complying with applicable tax laws and regulations, including maintaining appropriate documentation supporting 29Metals' conclusions;
- Adopting processes which ensures accurate and timely submissions to Revenue Authorities<sup>2</sup>;
- Maintaining good working relationships with Revenue Authorities; and
- Commitment to effectively managing tax risks as they arise through application of 29Metals' tax risk management procedures.

2. A Revenue Authority is any government agency responsible for the assessment or collection of tax in the relevant State or Federal jurisdictions in which 29Metals operates (including foreign jurisdictions).

29Metals has a robust risk management culture that enables risks, including tax risks, to be evaluated, deliberated, and communicated with our stakeholders. 29Metals has a skilled and diverse Audit, Governance & Risk Committee ('AGRC') which oversees the Group's tax governance framework and tax reporting and monitors tax risks.

At all times, 29Metals operates within the tax laws that apply to it. 29Metals will not participate in tax evasion or undertake aggressive tax planning, take positions that do not have a reasonable basis, or which rely on non-disclosure.





## TAX DISCLOSURES

The reconciliation of accounting loss to tax expense contained in this Report was previously published in the FY24 Annual Consolidated Financial Statements<sup>3</sup>. This disclosure was prepared under the relevant Australian Accounting Standards and reflects accounting outcomes for the Group.

29Metals formed an Australian Tax Consolidated Group with its wholly owned Australian entities, which was completed in July 2021. There is no tax payable in relation to 29Metals' operations in Chile which comprises only mineral exploration.

Income tax expense, reported in the Group's FY24 consolidated statement of comprehensive income, is calculated by multiplying accounting loss for the year, adjusted for non-temporary differences, by the relevant corporate tax rate (30 per cent in Australia). In FY24, the income tax expense also included deferred tax assets arising in FY24 of \$56,248,000 which were not recognised. The deferred tax assets recognised at 31 December 2022 of \$58,072,000 was de-recognised in the year ended 31 December 2023. Deferred tax assets are recognised only if it is probable that future forecast taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to relevant tax legislation associated with their recoupment.

### (A) RECONCILIATION OF ACCOUNTING LOSS TO INCOME TAX (EXPENSE)

	2024 \$'000	2023 \$'000
Total Revenue	551,063	449,748
Total Expenses	(728,671)	(832,139)
<b>Accounting loss before income tax expense</b>	<b>(177,608)</b>	<b>(382,391)</b>
Income tax benefit at the Australian tax rate of 30%	53,282	114,717
Increase / (decrease) in income tax expense due to:		
Non-deductible expenses <sup>4</sup>	(822)	(601)
Adjustment in respect of income and deferred tax of prior year	3,788	(91)
Deferred tax assets in current year not recognised	(56,248)	(114,025)
Deferred tax assets de-recognised	-	(58,072)
<b>Income tax (expense)</b>	<b>-</b>	<b>(58,072)</b>
<b>Effective tax rate<sup>5</sup></b>	<b>29.54%</b>	<b>29.82%</b>

The accounting effective tax rate is calculated as the income tax expense (adjusted for non-temporary differences) divided by accounting loss before income tax expense, as per AASB 112. Non-temporary differences are amounts which are recognised differently for accounting and tax purposes, and do not reverse over time.

29Metals' effective tax rate deviates from the statutory headline rate of 30% primarily due to non-deductible expenses relating to share-based payment expenses and operating losses from Redhill Chile.

There is no tax effect recognised for the transaction costs relating to the issue of new shares recognised directly in equity for the year ended 31 December 2024.

### (B) MATERIAL TEMPORARY DIFFERENCES

	2024 \$'000	2023 \$'000
<b>Movement in deferred income tax</b>		
Opening balance	-	58,072
Credited to profit or loss	-	(58,072)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets comprise temporary differences attributable to:</b>		
Provision for employee benefits	3,957	2,703
Provision for rehabilitation and restoration	48,823	41,880
Property, plant and equipment	6,466	1,823
Capitalised expenditure	4,617	4,712
Tax loss carried forward	154,996	120,317
Other	23,017	16,943
	<b>241,876</b>	<b>188,378</b>
<b>Deferred tax liabilities comprise temporary differences attributable to:</b>		
Exploration expenditure	(1,347)	(3,751)
Mine properties	(11,270)	(11,475)
Other	(72)	(2,594)
	<b>(12,689)</b>	<b>(17,820)</b>
<b>Net deferred tax assets</b>	<b>229,187</b>	<b>170,558</b>
Net deferred tax assets - prior year de-recognised	-	(58,072)
Net deferred tax assets - current year not recognised	(229,187)	(112,486)
<b>Net deferred tax assets - recognised</b>	<b>-</b>	<b>-</b>

3. Refer to Note 10 of 29Metals' FY24 Annual Consolidated Financial Statements.

4. Non-deductible expenses consists mainly of share-based payment expense and losses from Redhill Chile.

5. Note that the effective tax rate is determined prior to the assessment of the recognition of deferred tax assets for accounting purposes. Deferred tax assets have not been recognised for accounting purposes at 31 December 2024 and 31 December 2023.

## TAX DISCLOSURES CONTINUED

## AUSTRALIAN TAX CONTRIBUTION

Material temporary differences relate to amounts which are assessable or deductible for tax purposes at a different time for accounting purposes.

Consistent with the mining industry, 29Metals' material temporary differences arise from differences in depreciation of non-current assets between tax and accounting purposes as well as mining provisions. Other deferred tax assets and liabilities relate to unrealised foreign currency differences, accruals and provisional sales revenue.

**(C) INCOME TAX PAYABLE / RECEIVABLE**

Nil corporate tax paid due to tax losses for the period.

**(D) UNRECOGNISED DEFERRED TAX ASSETS**

Of the total net deferred tax assets of \$229,187,000 at 31 December 2024 (excluding the Capricorn Copper tax losses noted below), the total recognised net deferred tax assets is \$nil at 31 December 2024 (2023: \$nil recognised).

In addition, cumulative tax losses relating to Capricorn Copper of \$186,612,000 (\$55,983,000 tax effected) at 31 December 2024 have not been recognised because 29Metals has assessed that the utilisation of these tax losses is not, at present, probable. The unrecognised tax losses are subject to an available fraction tax loss utilisation rate and are reviewed regularly for recoverability.

29Metals paid the following amounts to Federal, State and Local Governments in Australia<sup>6</sup> for FY24.

	2024 \$'000	2023 \$'000
<b>Tax and payments to Federal Government</b>		
PAYG salary withholding tax	21,707	22,999
Corporate tax paid	–	–
<b>Tax and payments to State and Local Government</b>		
Mining royalties	22,589	21,994
Payroll tax paid	4,352	4,344

6. Employment related taxes paid in Chile amounted to A\$34,000.





## INTERNATIONAL-RELATED PARTY DEALINGS

29Metals' international operations relate to exploration activities at the Redhill operation in Chile, South America. Redhill comprises the Cutters Cove project, located around the high-grade historical Cutters Cove copper mine, and a prospective regional tenement package.

The related party dealings between 29Metals' Australian operations and its Redhill operations are:

- Providing administrative services; and
- Providing financial support for exploration activities.

All international related party dealings are conducted in accordance with arm's length principles and methodologies.

## BASIS OF REPORT PREPARATION

This Report has been prepared to meet the requirements of the TTC.

The disclosure includes details of 29Metals' reconciliation of accounting loss to tax expense and to income tax payable, identification of material temporary and non-temporary differences, details of effective tax rate, taxes paid, tax policy, strategy and governance and international related party dealings as required under the TTC.

Amounts disclosed in this Report are in AUD (unless otherwise stated), the 29Metals' Australian tax and accounting consolidated Group's functional currency. Amounts disclosed in this Report have been sourced from the Group's FY24 Annual Consolidated Financial Statements.

This Report has been prepared to disclose taxes paid in respect of 29Metals' 2024 financial year, being the period from 1 January 2024 to 31 December 2024.

