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ASX Announcement | ASX: TNC

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13 January 2025

# STATEMENT OF CONFIRMATIONS

True North Copper Limited (ACN 119 421 868) ("**True North**" or the "**Company**") (ASX: TNC) is pleased to provide the confirmations below in satisfaction of the conditions for the reinstatement of its securities to official quotation set out in the conditional reinstatement letter from the ASX to the Company on 21 November 2024.

Capitalised terms in this announcement have the same meaning given under the Company's prospectus dated 4 December 2024 (**Prospectus**) unless the context requires otherwise.

**1. Confirmation in the form of an ASX announcement to the Market Announcements Platform ('MAP') that TNC has:**

**1.1 issued the following securities:**

**1.1.1 a minimum of 10,000,000,000 shares and up to 12,000,000,000 shares at an issue price of $0.005 to raise a minimum of $50,000,000 and up to a maximum of $60,000,000 by way of a placement to sophisticated, professional and experienced investors; and**

**1.1.2 up to 1,000,000 shares at an issue price of $0.005 to raise up to $5,000,000 by way of a share purchase plan to eligible shareholders of TNC (being non-related party shareholders with a registered address in Australia or New Zealand)**

**(together, the 'Capital Raising')**

**1.2 completed a consolidation of its issued capital on the basis of consolidating every 100 securities into 1 new security ('Consolidation').**

The Capital Raising has been completed and the Company raised approximately $53.44 million (before costs), comprising:

- the issue of 10,180 million shares (on a pre-Consolidation basis) on 31 December 2024 at an issue price of $0.005 to raise $50.90 million by way of a placement to sophisticated, professional and experienced investors (including a $300,000 drill-for-equity arrangement with Mitchell Services Limited (**MSV**)); and
- the issue of 507,797,596 shares (on a pre-Consolidation basis) on 24 December 2024 at an issue price of $0.005 to raise $2,538,988 by way of a share purchase plan to eligible shareholders of the Company (being non-related party shareholders with a registered address in Australia or New Zealand).

As announced on 25 November 2024, the placement was partly underwritten by Canaccord Genuity Limited and Morgans Financial Limited up to $50.3 million, including the $300,000 drill-for-equity arrangement with MSV.

Pursuant to TNC shareholder approval at the Company's annual general meeting held on 23 December 2024 ("**AGM**"), the Company has completed a Consolidation of its issued capital on the basis of consolidating every 100 securities into 1 new security. The record date for the Consolidation was 31 December 2024 and the Company's register was updated to reflect the change in the number of securities post-Consolidation on 8 January 2024.

**2. Confirmation in a form acceptable to ASX that TNC has received cleared funds for the complete amount of the issue price of every fully paid security issued pursuant to the Capital Raising**

The Company received cleared funds of approximately $50.52m (after deduction of certain costs, including underwriting and lead manager fees and expenses) on 30 December 2024 for the complete amount of the issue price of every fully paid security issued pursuant to the Capital Raising, other than 60,000,000 shares (pre-Consolidation) issued to MSV at the Capital Raising Price as a $300,000 prepayment for diamond drilling services to be provided to the Company by Mitchell Operations Pty Ltd. Costs deducted by the Joint Lead Manager from the settlement funds comprised underwriting fees of $1.436m, management fees of $988k and legal expenses of $164k. Costs deducted by the share registry for the SPP settlement includes $27k in registry fees.

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The deed administrator promptly arranged the following on 31 December 2024 as part of the DOCA completion and effectuation steps on 31 December 2024:

- payment of the secured debt (being the existing Nebari loan and the working capital facility) and the secured creditor costs;
- payment of various deed administrator's liabilities and administrator's liabilities; and
- transfer of $1.4 million to the creditors trust for settlement of unsecured creditors.

The balance of funds held by the Company following the above DOCA effectuation payments is approximately $19.12 million.

**3. Confirmation in the form of an announcement to MAP that, provided the following issues of securities has occurred, TNC has issued the following securities (on a pre-Consolidation basis):**

**3.1 Up to 100,000,000 shares issued to Global Ore Discovery Pty Ltd in consideration for exploration consultancy services;**

**3.2 Up to 950,000,000 shares to Nebari Natural Resources Credit Fund II LP ('Nebari') in consideration for the partial discharge of the balance of a debt facility provided by Nebari;**

**3.3 Up to 200,000,000 shares to KM Custodians Pty Ltd or their nominee(s) in consideration for the provision;**

**3.4 Up to 10,000 shares to professional and sophisticated investors by way of cleansing placement;**

**3.5 Up to 500,000,000 remuneration options to Paul Cronin exercisable at $0.006 each and expiring 12 months after the date of issue; and**

**3.6 Up to 50,000,000 performance rights to Bevan Jones expiring 5 years from the date of issue, with the vesting conditions of the performance rights to be contained in the announcement to MAP,**

**(together, the 'Secondary Security Issues').**

Pursuant to TNC shareholder approval at the AGM, the Company has issued the following securities (on a pre-Consolidation basis) on 31 December 2024:

- 100,000,000 shares issued to Global Ore Discovery Pty Ltd (or its nominee(s)) in consideration for exploration consultancy services;
- 810,612,543 shares to Nebari Natural Resources Credit Fund II LP (or its nominee(s)) in consideration for the partial discharge of the balance of a debt facility provided by Nebari;
- 110,000,000 shares to KM Custodians Pty Ltd (or its nominee(s)) in consideration for the provision of professional services in the conduct of TNC's voluntary administration);
- 500,000,000 remuneration options to Paul Cronin (or his nominee(s)) exercisable at $0.006 each and expiring 12 months after the date of issue; and
- 50,000,000 performance rights to Bevan Jones (or his nominee(s)) expiring 5 years from the date of issue, with the following vesting conditions:
  - **Tranche 1** (250,000 performance rights (post-Consolidation)): on the Company achieving a daily volume weighted average price (**VWAP**) for its shares of $0.75 ($0.0075 on a pre-Consolidation basis, being a 50% premium to the issue price for the Placement) or greater for 20 consecutive trading days; and
  - **Tranche 2** (250,000 performance rights (post-Consolidation)): on the Company achieving a daily VWAP for its shares of $1.00 ($0.01 on a pre-Consolidation basis, being a 100% premium to the issue price for the Placement) or greater for 20 consecutive trading days.

The Company confirms that the Nominal Placement Offer (referred to as the cleansing placement in item 3.1.3 above) has closed and no shares have been issued pursuant to the Nominal Placement Offer.

**4. Confirmation in the form of an announcement to MAP of TNC's proposed operations and strategy following reinstatement to the satisfaction of ASX, including:**

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The confirmations below refer to matters previously disclosed in the Prospectus and in True North's 'Recapitalisation and Equity Raising Presentation' released to ASX on 25 November 2024 (**Investor Presentation**).

**4.1 Effectuation of the deed of company arrangement ('DOCA') on the terms set out in the Report by Administrators of the True North Group of Companies dated 11 November 2024;**

Refer to Sections 4.2, 4.3, 4.4 and 9.4(b) of the Prospectus for details regarding the process for effectuation of the DOCA on the terms set out in the Report by Administrators of the True North Group of Companies dated 11 November 2024, and control of the True North Group of Companies passing back to directors. As announced on 2 January 2025, the DOCA was effectuated on 31 December 2024 and the Company is not subject to any other forms of external administration, receivership or liquidation.

**4.2 Details of the agreement reached with Perilya whereby the current $15 million deferred cash payment from TNC's acquisition of Mt Oxide is reduced to $7.5 million (with payment deferred until 7 December 2026) supported by a mortgage over TNC tenements;**

Refer to Sections 4.5 and 9.4(g) of the Prospectus for details of the agreement reached with Perilya whereby the current $15 million deferred cash payment from TNC's acquisition of Mt Oxide is reduced to $7.5 million (with payment deferred until 7 December 2026) supported by a mortgage over relevant TNC tenements.

**4.3 Details of the agreement reached with Round Oak whereby the $3 million deferred consideration payable for the Cloncurry Copper Project is re-structured to take the form of an equity contribution or is otherwise compromised in full to the satisfaction of ASX;**

The Company confirms that:

- no agreement was reached with Round Oak in respect to the restructuring of deferred consideration to take the form of an equity contribution; and
- under the terms of the DOCA, Round Oak will be paid up to $200,000 out of the unsecured creditor pool (sourced from the $1.4 million allocated to settlement of unsecured creditors) available under the DOCA and the balance of its Claims (as that term is defined in the DOCA) have been compromised in full (i.e released and extinguished) under the DOCA for nil value.

Refer to Sections 4.5 and 9.4(f) of the Prospectus which confirm that no agreement was reached with Round Oak and that all Claims (as that term is defined in the DOCA) of Round Oak will be compromised under the DOCA.

**4.4 Control of the True North Group of Companies passing back to directors (from the Administrators);**

Refer to the confirmation under item 4.1 above.

**4.5 A proposed use of funds for the next 18 months following the Capital Raising;**

Refer to Section 6.1 of the Prospectus for a proposed use of funds for the next 18 months following the Capital Raising, based on Capital Raising size of $53,438,988. The Company also provides an update to its proposed use of funds for the next 18 months following the Capital Raising to reflect actual funds raised and final repayment amounts, as follows:

| Use Of Funds | Offer Proceeds (A$) | % |
|---|---|---|
| Repayment of secured debt | 28,482,331 | 53.30 |
| Repayment of Working Capital Facility | 1,521,568 | 2.85 |
| Settlement of unsecured creditors | 1,400,000 | 2.62 |
| Exploration and resource development[1] | 12,000,000 | 22.46 |
| Care and maintenance costs | 4,000,000 | 7.49 |
| Costs of the Recapitalisation | 2,660,500 | 4.98 |
| Corporate Overheads & general working capital | 3,374,589 | 6.31 |
| **Total** | **53,438,988** | **100.00** |

**Note:**

1. The Company intends that funds allocated for 'exploration and resource development' will be used for the following purposes:

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(a) grow and develop reserves/resources;
(b) targeted exploration drilling;
(c) general exploration activity; and
(d) optimise mine plan.

Refer to confirmation at item 4.6 below for further detail.

**4.6 A detailed explanation of TNC's proposed programme of works for the use of funds period;**

The Company provides the following explanation of its proposed programme of works for the use of funds period (restated from Slides 10 and 18 and Appendices 1 and 2 of the Investor Presentation).

**Mt Oxide**

The Company intends to target new zones of shallow oxide/supergene sulphide open-pittable mineralisation of the same size and grade as at Vero at the Mt Oxide project. The Company's priority is completing work on Camp Gossans, Black Marlin, Rhea and Aquila.

The Company's proposed exploration program includes an initial Reverse Circulation (RC) drill program designed to target depths between 70 and 190 m below surface, and to use Electromagnetics and Optical scanner downhole surveys to assist follow-up targeting.

Additionally, the Company has completed initial track and pad design and locations, and initiated access, formal cultural heritage and permitting.

A local indigenous landholder has provided preliminary agreement on pad and road locations, which has not seen any significant cultural heritage sites.

**Cloncurry Copper Project**

The Company will implement a revised business strategy to pause operations at its Cloncurry Copper Project, focusing on drilling targets and exploration of large-scale mineral systems.

The Company will undertake drilling at eight high-priority drill-ready targets at the Greater Australian Mine Complex ("**GAM**"), with the intention to expand IP survey to target the Paddock Lode South target and confirm copper head targets. The purpose of the GAM drilling program is to expand mine life and grow the resource and reserve base to optimise the mine plan. The Company has planned to undertake the following work at GAM:

(a) four additional IP lines for approximately ~6.5 line km of IP;

(b) RC testing of drill ready targets 16 holes for 3,100 m:

  (i) Taipan North – 3 holes for 600 m;

  (ii) Greater Australian – 2 holes for 400 m;

  (iii) Copper Mine Creek – 2 holes for 750 m;

  (iv) Paddock South contingency metres (600 m) if IP comes up; and

  (v) Copperhead – 7 holes for 750 m;

(c) downhole EM on select holes to test for off hole conductors; and

(d) downhole optical scanner for downhole structural data to optimise follow up drill targeting structural data.

At the Wallace North Resource, the Company intends to extend the shallow open-pittable along strike to discover new shallow parallel copper lodes and confirm potential for down plunge high grade underground mineable. The Company has planned the following work program at Wallace North:

(a) 3,000 m of mixed RC and Diamond drilling to test near resource targets;

(b) downhole EM on select holes to test for off hole conductors;

(c) downhole optical scanner for structural data;

(d) complete an EM survey to defined additional near resource targets; and

(e) design of phase 2 drill program based on new geophysics targets and success of phase 1 drill testing.

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**4.7 Confirmation that TNC intends to complete further technical study and optimisation work in relation to the Cloncurry Copper Project, and accordingly, that TNC no longer relies on its existing mine plan as provided in the Mining Restart Study released to MAP on 15 February 2024 ('Restart Study'), as the material assumptions underpinning the Restart Study no longer apply; and**

Retracted information: the Company has previously announced:

- Ore Reserve Estimates;
- a production target; and
- forecast financial information based on that production target,

for its Cloncurry Copper Project.

The Company intends to complete further technical study and optimisation work in relation to its Cloncurry Copper Project, and accordingly, the Company no longer relies on its existing mine plan as provided in the Mining Restart Study released to ASX on 15 February 2024 (the Restart Study), as the material assumptions underpinning the Restart Study no longer apply and, accordingly, the previously stated Ore Reserve Estimates, production target and forecast financial information based on that production target for the Cloncurry Copper Project are retracted (**Retracted Information**). Investors should not rely on the Retracted Information as a basis for an investment decision.

**4.8 Confirmation that TNC will not carry out any work consistent with ramping-up to or maintaining production at any of TNC's processing facilities during the next 12 months, given TNC solely intends to conduct exploration and evaluation activities during that period.**

**(together, the 'TNC Proposed Announcement')**

The Company confirms that it will not carry out any work consistent with ramping-up to or maintaining production at any of its processing facilities during the next 12 months, given the Company solely intends to conduct exploration and evaluation activities during that period.

**5. TNC demonstrating compliance with Listing Rule 12.1 to the satisfaction of ASX.**

The Company confirms that it complies with Listing Rule 12.1 (level of operations). As can be seen in the Investor Presentation and the Prospectus, the Company has a clearly outlined level of operations and exploration activity over the next 18 months at its Cloncurry Copper Project and Mt Oxide Project.

**6. TNC demonstrating compliance with Listing Rule 12.2 to the satisfaction of ASX, including:**

**6.1 confirmation in a form acceptable to ASX that TNC has received cleared funds for the complete amount of the issue price of every fully paid security issued pursuant to the Capital Raising;**

The Company has received cleared funds for the complete amount of the issue price of every fully paid security issued pursuant to the Capital Raising, other than 60,000,000 shares (pre-Consolidation) issued to MSV at the Capital Raising Price as a $300,000 prepayment for diamond drilling services to be provided to the Company by Mitchell Operations Pty Ltd.

**6.2 confirmation in a form acceptable to ASX that TNC has paid the balance of the secured debt in favour of Nebari, including confirmation in that all security interests over TNC's assets have been discharged;**

The Company has paid the balance of the secured debt in favour of Nebari and all security interests of TNC's assets have been discharged.

**6.3 a 'working capital statement' similar to that required by Listing Rule 1.3.3(a) to the effect that following completion of the Capital Raising, TNC will have sufficient working capital at the time of its reinstatement to carry out its objectives, being the objectives detailed in the TNC Proposed Announcement;**

See Section 6.1 of the Prospectus. The Company re-confirms that it has sufficient working capital at the time of reinstatement to carry out its objectives.

**6.4 provision of a reviewed pro-forma statement of financial position to the satisfaction of ASX updated for the actual funds raised under the Capital Raising ('Pro Forma'), which aligns with the pro-forma contained in section 6.4 of the Report by Administrators of the True North Group of Companies dated 11 November 2024; and**

Refer to Annexure A to this announcement, which contains a pro forma statement of financial position of the Company. This pro forma statement of financial position is based on the Pro Forma contained in Section 6.7 of the

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Prospectus, updated for the actual funds raised under the Capital Raising and the actual amount (in AUD) repaid to Nebari to discharge the balance of the debt facilities provided by Nebari ("**Pro Forma**").

**6.5 a statement confirming all known creditor claims relating to TNC ceasing ramp-up of production and entering into voluntary administration have been accounted for in the Pro Forma.**

The Company confirms that all known creditor claims relating to TNC ceasing ramp-up of production and entering into voluntary administration have been accounted for in the Pro Forma.

**7. TNC demonstrating that, at the time of reinstatement, it will be funded for at least 12 months.**

Refer to the use of funds table in the response to item 4.5 of this announcement, which shows the Company's use of funds for the next 18 months based on actual funds raised under the Capital Raising, including repayments of debt, settlement of unsecured creditors, exploration and resource development, care and maintenance costs, costs of the Recapitalisation and a corporate overheads and working capital (cash) buffer of approximately $3.37 million.

**8. TNC lodging its transaction-specific prospectus as contemplated by section 713 of the Corporations Act in relation to its recapitalisation proposal to MAP.**

Refer to the Prospectus lodged to MAP on 4 December 2024.

**9. Confirmation in the form of an announcement on MAP of the material conclusions of TNC's voluntary administrators as to the cause of TNC's insolvency and the estimated date of insolvency. Please comment specifically on the following production challenges identified by TNC's voluntary administrators as causes of TNC's liquidity constraints:**

**9.1 the increase in costs at the Cloncurry Copper Project during ramp-up;**

**9.2 production of copper crystal being impacted by low leach solution grades; and**

**9.3 downtime at the SX plant being the result of mechanical failures resulting in further costs and delay.**

Refer to Section 4.10 of the Prospectus, restated below.

The Directors confirm that, in their view (and consistent with the material conclusions of the Administrators in the Report to Creditors):

- the financial predicament of the Group can primarily be attributed to:
  - the Group being undercapitalised which results in liquidity constraints, largely due to:
    - (a) cost increases during the ramp-up of the Cloncurry Copper Project;
    - (b) production of copper crystal being impacted by low leach solution grades; and
    - (c) downtime at the SX plant due to a mechanical seal failure in the centrifuge requiring offsite repairs incurring additional cost and losing production days;
  - no agreement with Nebari to extend additional facilities; and
  - the Group being unable to raise additional equity within the short timeframe before the Group would have likely become insolvent; and
- the estimated date of insolvency was 18 October 2024.

The Company also provides the following additional information regarding the production challenges identified above:

The TNC Group was undercapitalised ahead of the restart of mining due to a lack of positive cash flow generated from processing stockpiled material. This initially resulted from factors listed in (b) and (c) above. These issues impacted expected revenues and increased the forward-looking working capital requirements for the mining restart and the production ramp-up to commercial production. This situation was further exacerbated by the Company's indebtedness.

<u>Indebtedness and Key Contributing Factors</u>

In Queensland, junior miners are required to place funds in an environmental bond before they commence mining operations, equivalent to the environmental liability of the mine site. To commence mining at the Cloncurry Copper Project, the Company was required to fund a $15m environment bond and this was done via a senior secured loan with Nebari with an initial tranche of US$18m drawn in February 2024. TNC had commenced paying cash interest and was approaching the first repayment dates at a time when the mining was ramping-up and yet to reach positive net cash flow. In addition to

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the cost of servicing this debt, the loan agreement contained minimum cash and aged receivables covenants which the Company could not satisfy during the mining ramp-up period.

When the Nebari funds were drawn in February 2024, TNC's management at the time intended that TNC would commence mining shortly thereafter. Unforeseen administrative delays, preparation works and personnel changes delayed the actual commencement of mining until July 2024. This caused an increase in the working capital required to fund TNC until the operations and the Company achieved positive net cash flow. As foreshadowed in the ASX announcement dated 14 October 2024, mining and processing activities were advancing positively however, the Company's statement of financial position was under pressure.

At that time, the Company had anticipated either that operational progress would soon be in a position to access Tranche 2 of the Nebari facility (US$10m), or that an amended agreement would be agreed with Nebari to allow TNC to access funds, or additional capital could be raised (following the planned Oct AGM). A condition precedent to draw Tranche 2 (US$10m) of the Nebari senior secured loan was commencement of commercial production of fresh ore. This required mining of sulphide orebody at Wallace North. By the end of October 2024, TNC was expected to reach the sulphide orebody after mining the oxide and transitional ores. TNC required additional working capital before the end of the month and anticipated it would soon be in breach of its covenants with Nebari. Negotiations to secure additional capital in a short time period ultimately did not succeed.

**Cost increases**

TNC's strategy was to generate early positive cashflows at the Cloncurry Copper Project by re-processing stockpiled oxide material which would contribute revenue and reduce the net working capital required to fund the restart and production ramp-up. This entailed leaching of copper through the heap leach operations and production of copper sulphate crystal at the refurbished SX plant. This initial stage of the operation failed to ramp-up as expected, largely due to the following preceding factors:

- delays and cost inflation associated with the refurbishment of the SX plant (refurbishment of the SX plant required civil, electrical, and plant modifications to recommission in 2023);
- operational downtime due to performance of the SX plant, including a replacement of key process plant management personnel;
- site power supply interruptions due to a change in power supply; and
- weather impacts caused by extreme heat.

**Low leach solution grades**

Crystal production was impacted by low leach solution grades experienced before the first newly mined ore from Wallace North was stacked and steady-state SX Plant operations were able to be achieved.

The initial production from the SX Plant was from stockpiled ore from TNC's Mt Norma Project. Processing of this stockpiled ore was substantially complete prior to the CCP mining restart. Oxide ore deliveries from Wallace North commenced in September, with stacking and irrigation of this ore starting in the first week of October. During the intervening period until newly mined ore was placed on the heap, TNC ran the SX Crystal plant on a campaign basis (running the plant over shorter periods) to allow copper grades to build in solution between campaigns.

While the delay in adding newly mined copper ore to the heap contributed to the production challenges, it is important to note that since the SX plant was restarted in 2023, TNC and its metallurgical advisors consistently expected metal concentrations in the process to increase, which was not realised during the processing of the Mt Norma stockpiles. The material transported from Mt Norma and added to the heap was estimated to grade around 2% copper (refer to Annexure A of Company's prospectus released on the Company's ASX platform on 16 June 2023). However, production from stockpiled ores did not yield the projected copper tonnages. Due to the dynamic nature of the heap leach process and the re-circulating solution, it is difficult to reconcile. It is not yet known whether the metal balance remains in the heap, or whether there was more dilution or lower grades in the material placed on the heap in comparison to metallurgical and geological estimates. As the processing of Mt Norma stockpiled ore is now complete, it is not a target for future exploration or resource estimation work.

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Downtime at SX plant

The SX plant experienced significant downtime in July due to a mechanical seal failure in the centrifuge requiring offsite repairs. Lost production totalled 8 days. A planned maintenance shut down was completed in September to upgrade electrical cabling in the plant. The shut down was completed on schedule. When the SX Plant is required to be shut down for a period due to mechanical faults or other repairs, it reduces the efficiency of the SX Plant as it takes time to return the process to optimal temperatures and conditions.

Immediately prior to voluntary administration, the performance of the SX plant and heap leach operations vastly improved with the processing of mined oxide ore from the Wallace North operations. However, the additional working capital requirement from the re-aligned revenue and costs placed significant pressure on the Company's finances and reduced the available time the Company had to resolve the funding issue.

**10. Confirmation that there are no legal, regulatory or contractual impediments to TNC undertaking the activities the subject of its proposed use of funds.**

The Company confirms that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of its proposed use of funds.

**11. Payment of all ASX fees, including listing fees, applicable and outstanding (if any).**

The Company confirms that is has paid all ASX fees other than those not yet due for payment and is not aware of any outstanding ASX fees, including listing fees.

**12. Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys or 3Zs, as required.**

The Company confirms that all Director Interest Notices have been lodged and are up to date. Paul Cronin will be appointed a director on 13 January 2025.

**13. Lodgement of all outstanding Appendices 2A, 3B and 3G (if any) with ASX for issues of new securities.**

The Company confirms that it has lodged all Appendices 3B, 2A and 3G for issues of new securities. Final Appendix 2A's following consolidation were lodged on 9 January 2024.

**14. Lodgement of all outstanding periodic or quarterly reports (if any) required to be lodged under Chapters 4 and 5 of the Listing Rules and any other outstanding documents required by Listing Rule 17.5.**

The Company has lodged all periodic and quarterly reports required to be lodged under Chapters 4 and 5 of the Listing Rules and Listing Rule 17.5 and is not aware of any outstanding reports or documents.

**15. Provision of the following documents, in a form suitable for release to the market:**

**15.1 Upon completion and settlement of the Capital Raising, Consolidation and the Secondary Security Issues, lodgement of the following to MAP:**

**15.1.1 A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.**

A statement was lodged on ASX on 13 January 2025.

**15.1.2 A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.**

**1 - 1,000**
**1,001 - 5,000**
**5,001 - 10,000**
**10,001 - 100,000**
**100,001 and over**

A distribution schedule was lodged on ASX on 13 January 2025.

**15.2 A statement outlining TNC's capital structure at the time of reinstatement, following the Consolidation and the issue of the Capital Raising and the Secondary Security Issue securities.**

The Company's capital structure at the time of reinstatement (post-Consolidation) is as follows:

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| Class | Number |
|---|---|
| Shares[1] | 127,382,788 |
| Options[2] | 5,153,845 |
| Performance Rights[3] | 500,000 |
| Warrants[4] | 463,830 |

Notes:

1. Including 1,627,105 restricted shares of which 1.543,772 are unquoted.
2. Comprising of:
   (a) 19,640 Options exercisable at $57, expiring on 10 November 2027;
   (b) 5,508 Options exercisable at $75, expiring on 20 July 2028;
   (c) 24,697 Options exercisable at $28, expiring on 16 June 2025 (restricted);
   (d) 92,000 Options exercisable at $30, expiring on 16 June 2028 (restricted);
   (e) 12,000 Options exercisable at $30, expiring on 22 December 2028; and
   (f) 5,000,000 Options exercisable at $0.60, expiring on 31 December 2025.
3. Two tranches of Performance Rights on the vesting conditions set out in in the response to Reinstatement Condition 3 above.
4. Warrants exercisable at $11.27 per Warrant, expiring on 7 February 2028.

**15.3 Any further documents and confirmations that ASX may determine are required to be released to the market as pre-quotation disclosure.**

The Company is not aware of any further documents or confirmations required or requested by ASX.

**15.4 A statement confirming TNC is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.**

The Company confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

**15.5 Any other information required or requested by ASX, including but not limited to, in relation to any issues that may arise from ASX's review of:**

**15.5.1 the pro forma statement of financial position; and**

**15.5.2 information provided by TNC as pre-reinstatement disclosure, or to satisfy any of the above conditions to reinstatement.**

The Company is not aware of any further information required or requested by ASX.

## AUTHORISATION

This announcement has been approved for issue by the True North Copper Limited Board.

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## Annexure A – Pro Forma

| | 30-JUN-24 A$ AUDITED | SUBSEQUENT EVENTS A$ | PRO FORMA ADJUSTMENTS A$ | PRO FORMA AFTER ISSUE A$ |
|---|---|---|---|---|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents[1, 8] | 15,481,426 | (15,481,426) | 19,092,529 | 19,092,529 |
| Trade and other receivables | 750,731 | (110,510) | 300,000 | 940,221 |
| Other current assets | 675,956 | 687,294 | - | 1,363,250 |
| Inventories | 355,000 | (228,051) | - | 126,949 |
| **Total current assets** | **17,263,113** | **(15,132,693)** | **19,392,529** | **21,522,949** |
| Non-current assets | | | | |
| Plant and equipment | 6,501,886 | (3,544,589) | - | 2,957,297 |
| Exploration and evaluation assets | 48,845,944 | 730,056 | - | 49,576,000 |
| Development assets[2] | 23,238,911 | (4,647,782) | - | 18,591,129 |
| Right of use asset | 300,689 | (300,689) | - | - |
| Other receivables | 15,543,680 | - | - | 15,543,680 |
| **Total non-current assets** | **94,431,110** | **(7,763,004)** | **-** | **86,668,106** |
| **Total assets** | **111,694,223** | **(22,895,697)** | **19,392,529** | **108,191,055** |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables[7] | 2,312,964 | 75,036 | (2,388,000) | - |
| Borrowings[3, 8, 9] | 5,434,072 | 2,581,568 | (8,015,640) | - |
| Short-term provisions | 341,968 | (266,032) | - | 75,937 |
| Deferred consideration[4, 10] | 18,500,000 | (1,500,000) | (17,000,000) | - |
| Lease liability | 88,730 | (88,730) | - | - |
| **Total current liabilities** | **26,677,734** | **801,843** | **(27,403,640)** | **75,937** |
| Non-current liabilities | | | | |
| Other payables[11] | 3,890,226 | - | (3,890,226) | - |
| Borrowings[9] | 20,028,020 | | (20,028,020) | - |
| Deferred consideration[10] | - | - | 7,500,000 | 7,500,000 |
| Long-term provisions | 15,407,647 | (485,480) | - | 14,922,167 |
| Lease liability | 239,544 | (239,544) | - | - |
| **Total non-current liabilities** | **39,565,437** | **(725,024)** | **(16,418,246)** | **22,422,167** |
| **Total liabilities** | **66,243,171** | **76,819** | **(43,821,886)** | **22,498,104** |
| **Net assets** | **45,451,052** | **(22,972,516)** | **63,214,415** | **85,692,951** |
| EQUITY | | | | |
| Issued capital[5, 6] | 105,347,845 | - | 56,344,036 | 161,691,881 |

| | 30-JUN-24 A$ AUDITED | SUBSEQUENT EVENTS A$ | PRO FORMA ADJUSTMENTS A$ | PRO FORMA AFTER ISSUE A$ |
|---|---|---|---|---|
| Reserves[12] | 2,919,844 | - | 868,965 | 3,788,809 |
| Accumulated losses | (62,816,637) | (22,972,516) | 6,001,413 | (79,787,740) |
| **Total equity** | **45,451,052** | **(22,972,516)** | **63,214,414** | **85,692,951** |

This pro-forma statement of financial position has been derived from the Company's previously released audited statement of financial position as at 30 June 2024 and has been prepared on the basis of the following significant subsequent events and pro forma adjustments:

(a) Subsequent Events

Note 1 – Cash and cash equivalents

Cash has been adjusted to reflect the reduction in cash of $15.5 million between 1 July 2024 and 31 December 2024 as a result of cash losses from operations during the period, expenditure on exploration and evaluation and settlement of trade creditors, settlement of a deferred consideration payable and employee leave entitlements. A working capital facility of $1.5 million was drawn post 30 June 2024, which has been utilised in the operations during the period. The amount of the working capital facility has increased from $1.3 million as noted in the Prospectus due to foreign exchange movements in the intervening period, rather than because additional funds were drawn.

Note 2 – Impairment of Development Assets, Plant and Equipment and Right of Use (ROU) asset balances

Having considered the operational uncertainties that arise due to TNC's confirmation to ASX that it will not return to production in the immediate term given its production and financial challenges prior to entering into voluntary administration, the Cloncurry Copper Project Development assets have been impaired by $4.6 million. The Cloncurry Copper Project Solvent Extraction Plant, the commercial recovery of the asset is wholly dependent on the commencement of the Cloncurry Copper Project mine activity, has too been impaired by $2.7 million. Following the termination of the Cairns office lease, the associated right of use asset and liability has been written down to nil.

Note 3 – Borrowings

Borrowings have been adjusted to reflect $1.3 million of interest that has accrued on the Nebari Loan balance in the period from 1 July 2024 and 31 December 2024, and the $1.5 million working capital drawn down from the Nebari facility referenced in Note 1 above.

Note 4 – Deferred Consideration

Deferred consideration has been adjusted by $1.5 million as a result of the deferred consideration owing to Round Oak Minerals Pty Ltd for the acquisition of the CCP Tenements being subject to the Deed of Company Arrangement.

(b) Pro Forma Adjustments

Note 5 – Capital raised

The pro forma adjustment reflects the increase in the Company's share capital based on the final amount of $50.9 million raised under the conditional placement for cash consideration (including the $300,000 drill-for-equity arrangement with MSV) and approximately $2.5 million under the SPP, net of transaction costs.

Further, the pro forma adjustment also reflects the Nebari loan conversion (per note 9 below) and the costs of raising capital (approximately $2.5 million as noted in Note 6 below). Lastly, the pro forma adjustments include $1.5m of shares issued for services.

Note 6 – Transaction costs for the Capital Raising and financial restructure

Transaction costs of approximately $2.5 million based on a capital raise of $56.3 million, in relation to advisers, listing fees and other costs associated with the Capital Raising and financial restructuring have been offset against issued capital.

Note 7 – Settlement of amounts owed to certain creditors and employees

The pro forma adjustment reflects an adjustment of $1.4 million for the settlement of amounts owed to certain creditors, and to current and former employees of the Company.

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**Note 8 – Settlement of working capital facility**

The pro forma adjustment reflects an adjustment of $1.5 million for the settlement of the working capital facility drawn down during the subsequent event period referenced in Notes 1 and 3 above.

**Note 9 – Settlement of Nebari Borrowings Agreement**

The pro forma adjustment reflects the repayment and settlement of the borrowings owed to Nebari. As part of the Recapitalisation, Nebari was repaid in full at completion of the Recapitalisation through proceeds of the Recapitalisation, being 90% of principal and interest up to 31 October 2024, and costs capped at $100,000. The remainder was settled through the issue of 81,061,254 shares (pre-Consolidation) to Nebari.

**Note 10 – Deferred Consideration**

The pro forma adjustment reflects the deferred consideration payable to Perilya Freehold Mining Pty Ltd (Perilya) being reduced from $15.0 million to $7.5 million, and repayment extended to December 2026 (previously June 2025), with the reduction supported through a mortgage over the Company's tenements. The current deferred consideration payable to Perilya in the Pro Forma was reclassified from current to non-current due to the repayment term being extended.

A further amount of current deferred consideration of $2.0 million payable to Round Oak was compromised in full – see Section 4.3 above.

**Note 11 – Other Payables**

The non-current deferred consideration payable to Round Oak of $3.89 million (discounted from $4.0 million under accounting standards) was compromised in full – see Section 4.3 above.

**Note 12 – Reserves**

The pro forma adjustment reflects the accounting for the 500,000,000 remuneration options (pre-Consolidation) issued to Paul Cronin (or his nominee(s)) exercisable at $0.006 each (pre-Consolidation) and expiring 12 months after the date of issue.