

27 March 2025

Ms Caitlyn Cooke

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By email: ListingsCompliancePerth@asx.com.au

Dear Caitlyn,

True North Copper (“TNC” or the “Company”) – ASX Query Letter

We refer to ASX’s query letter dated 24 March 2025 (**Query Letter**) and set out TNC’s responses to the questions below, using the same numbering. Unless otherwise indicated, capitalised terms used below have the same meaning given to them in the Query Letter.

Background

This letter relates to a Query Letter from ASX issued in relation to TNC’s Half Year Report dated 14 March 2025. The Half Year Report has now been re-issued to address the matters referred to below.

There has been no change to the loss stated in TNC’s Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC’s Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025.

The changes to the Half Year Report dated 14 March 2025 relate to the allocation of various transactions between different P&L expense accounts arising from payments made by the former Administrators of TNC from 1 January 2025 for invoices for the period of the Half Year Report. Please refer to the section headed “Subsequent Event and Re-issued Half Year Report” for full details of the purpose for re-issuing the Half Year Report.

Please refer below for further details, including detailed responses to ASX’s queries in the Query Letter.

Voluntary Administration

On 21 October 2024, the then Directors of TNC appointed Richard Tucker and Tony Miskiewicz of KordaMentha as Voluntary Administrators of TNC and the entities it controlled (**Group**). The decision came after a period of extensive negotiations with TNC’s debt provider, largest shareholder and other potential equity providers. The decision was regrettable, especially as the ramp up of mining activities at Wallace North, part of the Cloncurry Copper Project, was on schedule with the first oxide ore placed onto the heap leach pads at Cloncurry in early October 2024. In addition, recent exploration at Mt Oxide partly funded by a CEI grant from the Queensland Government had identified a number of highly prospective targets for drilling with a high probability of making more discoveries like the Vero deposit.

With cash resources running down and an inability to draw on existing facilities or raise additional equity or debt before the scheduled AGM, the Directors appointed the Administrators. The Administrators then undertook an urgent assessment of the Group’s operations and commenced a dual track recapitalisation and sale process for the Group.

Following appointment of the Administrators, the powers of TNC’s officers (including the Directors) were suspended and the Administrators assumed control of the Group’s business, property and affairs.

Deed of Company Arrangement and recapitalisation

The Administrators found there was strong investor support, and subsequently the creditors of all Group entities resolved to execute a Deed of Company Arrangement (**DOCA**) put forward by Canaccord Genuity (Australia) Limited and Morgans Corporate Limited with Richard Tucker and Tony Miskiewicz of KordaMentha appointed as **Deed Administrators**. The DOCA was executed on 19 November 2024.

Under the DOCA, TNC successfully completed a recapitalisation of TNC which included a \$50.9 million Conditional Placement to sophisticated, professional, and experienced investors and a \$2.539 million Share Purchase Plan (SPP) to eligible shareholders of TNC. The placement was partly underwritten by Canaccord Genuity (Australia) Limited and Morgans Corporate Limited up to \$50.3 million, including a \$300,000 drill-for-equity arrangement with Mitchell Services Limited.

Proceeds from the recapitalisation were used, in conjunction with the DOCA, to:

- discharge all of the unsecured debt of the Group (other than the deferred consideration payable to Perilya, which has been reduced from \$15,000,000 to \$7,500,000 and extended to December 2026 and is now secured by mining mortgages over the Mt Oxide tenements);
- discharge the claims of secured creditors of the Group; and
- provide funding for a revised business strategy.

Under the revised strategy, TNC has ceased operational ramp up and will be undertaking an extensive exploration and resource development drilling campaign to grow reserves/resources, optimise and extend life of mine, whilst remaining mining ready, subject to a future restart decision.

Following completion of the recapitalisation, the DOCA was effectuated and completed, and TNC's Directors resumed control of the Group's business, property and affairs, on 31 December 2024.

TNC resumed trading on ASX on 13 January 2025 and, following the recapitalisation, TNC is now free of all interest-bearing and amortizing debt with a robust balance sheet to fund the revised business strategy which includes ceasing the operational ramp-up of the Cloncurry Copper Project and undertaking an extensive exploration and resource definition drilling campaign at both its 100% owned Cloncurry Copper Project and 100% owned Mt Oxide Project. TNC advised that as part of the revised business strategy to undertake exploration and evaluation, that it would not carry out any work consistent with ramping up to or maintaining production at any of its processing facilities during the next 12 months.

Half Year Report

As noted above, following appointment of the Administrators on 21 October 2024 until the DOCA was effectuated and completed on 31 December 2024, the powers of TNC's officers (including the Directors) were suspended and the Administrators assumed control of the Group's business, property and affairs.

Accordingly, the Half Year Report was prepared based on limited financial information for the period from 21 October 2024 to 31 December 2024 (being the period when the voluntary administrators were in control). Information for this period was made available to the Directors through the Administrators during and following the period of the Voluntary Administration and the DOCA.

As noted in ASX's Query Letter, this resulted in the Half Year Report containing:

- the disclaimer of conclusion from TNC's auditor, BDO Audit Pty Ltd (**BDO**); and
- the Incomplete Records Disclosure.

TNC's Directors and management confirm that they have had no issues with obtaining information from KordaMentha in a timely manner. During the DOCA period, TNC management was in constant contact with the Deed Administrators to cross agree matters including in relation to GST lodgements, payroll tax, PAYG, workers compensation, royalty returns, priority payments and clarifications on various balance sheet items. The Incomplete Records Disclosure was not made as a result of any delay on the part of the TNC Directors or management or KordaMentha.

As at the date that the Half Year Report was signed by the TNC Directors (14 March 2025), the background for the inclusion of the Incomplete Records Disclosure was as follows:

- TNC management received transaction journals from KordaMentha for the voluntary administration period from 21 October to 19 November 2024 and separately for the DOCA period from 20 November to 31 December 2024.
- KordaMentha accounted for transactions during the period on a cash basis, whereas TNC is required to prepare its accounts on an accruals basis.

- As at the date of the Half Year Report, the transaction journals were not complete for that period on the basis that:
 - Approximately \$1.4 million was remaining unallocated in the creditors' trust established under the DOCA for the unsecured creditors as at the time TNC went into Voluntary Administration. The Deed Administrators are required to follow a formal proof of debt adjudication process before authorising payments to creditors from the creditors' trust. This process was completed, and the first and final dividend was paid from the creditors' trust on 20 March 2025 (after the date of the Half Year Report).
 - Approximately \$1.13 million was remaining unallocated in the Administrators' trust account for payments to suppliers during the Voluntary Administration and DOCA periods. Delays in supplier invoices over the Christmas period meant that suppliers who undertook work during the December 2024 quarter may not have issued invoices until later in January or February, which may not have been paid until late February or March 2025.
- TNC is required to subsequently code the transactions in the KordaMentha transaction journals using its own chart of accounts, which requires a review of the nature of all of the transactions and in some cases, clarification from KordaMentha as to the details and nature of some transactions, before TNC can subsequently post them to its own ledgers. As at the date of the Half Year Report, journal coding for post 1 January 2025 transactions (on a cash basis) was not complete for the reasons outlined above, which may have affected the period of the Half Year Report which is reported on an accruals basis.
- Due to the transaction journals being provided on a cash accounting basis, the TNC Directors were not able to confirm with certainty what non-cash transactions had occurred during the relevant period.

Despite the above challenges, the TNC Directors were confident that the Half Year Report did not include any material misstatement on the basis that the transactions posted in the transaction journals provided reconciled with the difference between the cash balances in the Group's bank accounts as at the commencement of the Voluntary Administration period to the balance of cash held on 31 December 2024 when the TNC Directors resumed control of the Group's business, property and affairs.

In summary, although the TNC Directors prepared the Half Year Report to the best of their knowledge based on the information available, the TNC Directors considered that the Incomplete Records Disclosure was appropriate in light of the reasons referred to above, rather than due to any concerns on the part of the TNC Directors that the Half Year Report did not comply with the Australian Accounting Standards or due to any concerns that the Half Year Report contained any material misstatements.

Subsequent Event and Re-issued Half Year Report

On 21 March 2025, the securities of TNC were suspended from quotation on ASX in accordance with Listing Rule 17.3. ASX advised that they had determined that TNC's financial condition was not adequate to warrant the continued quotation of its securities and therefore TNC was in breach of Listing Rule 12.2. In making their determination, ASX advised they had regard to TNC's half-year financial statements for the period ended 31 December 2024 and BDO's disclaimer of conclusion in the auditor's review report.

TNC subsequently met with KordaMentha, TNC's previous Voluntary and Deed Administrators, to understand all payments that had been made by KordaMentha pursuant to the DOCA for the period to 25 March 2025, including the first and final dividend payment made to unsecured creditors from the creditors' trust on 20 March 2025.

TNC also formed a view as a result of that meeting that there were no other non-cash transactions undertaken by KordaMentha that had not already been reported to TNC.

Consequently, the TNC Directors resolved that the Half Year Report should be re-issued without the Incomplete Records Disclosure. As a consequence, the Half Year Report has been re-issued on 27 March 2025, without the Incomplete Records Disclosure and without a disclaimer of conclusion from BDO. There has been no change to the loss stated in TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC's Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025. As can be seen in the comparison table provided in the response to question 1 below, the only changes to TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024 in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025 relate to allocation of various transactions between different P&L expense accounts arising from the payments relating to the period of the Half Year Report but which were made from 1 January 2025 as referred to above.

Half Year Report

1. **Is TNC able to confirm that in the Directors' Opinion the Half Year Report:**
- (a) **complies with the relevant Accounting Standards, including AASB [134] Interim Financial Reporting and the Corporations Regulations; and**
 - (b) **gives a true and fair view of TNC's financial performance and position for the half year ended 31 December 2024?**

Yes, TNC confirms that in the Director's opinion, the Half Year Report gives a true and fair view of TNC's financial performance and position for the half-year ended 31 December 2024.

To the extent of information that was available at the date of the Half Year Report, to the knowledge of the TNC Directors, there was nothing that comprised non-compliance with the Accounting Standards, including AASB 134 Interim Financial Reporting. The TNC Directors prepared the Half Year Report to the best of their knowledge based on the information available and were confident that the Half Year Report did not include any material misstatement for the reasons given in the Background section above. However, due to the issues referred to in the Background section above, as at the date of the Half Year Report, the TNC Directors were unable to make an unqualified assertion that the Half Year Report was in compliance with the Corporations Act and AASB 134 Interim Financial Reporting, due to the potential that TNC's accounting records were incomplete, which is a Corporations Act matter (the Act requires an entity to maintain proper books and records).

There is no particular Accounting Standard that directly addresses the issue of having incomplete records. As noted above, to the extent of information that was available at the date of the Half Year Report, to the knowledge of the TNC Directors, there was nothing that comprised non-compliance with the Accounting Standards. If the TNC Directors had been aware any non-compliance with a specific requirement in a particular Accounting Standard, this would have been disclosed in the Directors' Report.

The issue of having incomplete records has been addressed in the re-issued Half Year Report, which does not include the Incomplete Records Disclosure or a disclaimer of conclusion from BDO. There has been no change to the loss stated in TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC's Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025.

Accordingly, TNC confirms that in the Directors' Opinion the re-issued Half Year Report:

- **complies with the relevant Accounting Standards, including AASB 134 Interim Financial Reporting and the Corporations Act; and**
- **gives a true and fair view of TNC's financial performance and position for the half year ended 31 December 2024.**

As can be seen in the comparison table below, the only changes to TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024 in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025 relate to allocation of various transactions as between different P&L expense accounts arising from the payments relating to the period of the Half Year Report but which were made from 1 January 2025 as referred to in the Background section above (as shown in the comparison of the two columns below):

			December- 2024-New#	December- 2024-Old#
	Note#		\$'000#	\$'000#
Income#				
Sales Revenue#	1#		665#	665#
Other income#			434#	434#
Movement in rehabilitation provision#			-#	-#
Debt Forgiveness#	1#		15,780#	15,780#
Expenses#				
Administration Costs#			(3,122)#	(3,490)#
Consultant and advisory expenses#			(1,974)#	(1,774)#
Consumable expenses#			(141)#	(141)#
Corporate administration and compliance expenses#			(3,178)#	(3,127)#
Contractor and other operational expenses#			(1,926)#	(1,916)#
Copper sulphate chemicals and reagents#			(538)#	(539)#
Depreciation and amortisation#	3,5#		(3,437)#	(3,437)#
Employee expenses#			(3,869)#	(3,827)#
Environmental fees and monitoring expenses#			(526)#	(527)#
Equipment hire expenses#			(543)#	(486)#
Fee to procure environmental bond#	12#		-#	-#
Fuel expenses#			(929)#	(929)#
Impairment of property plant and equipment#	3#		(4,093)#	(4,093)#
Impairment of development assets#	5#		(4,388)#	(4,388)#
Impairment of exploration and evaluation assets#	4#		(1,735)#	(1,735)#
Mining expenses#	5#		(2,757)#	(2,750)#
Share based payments#	9#		(96)#	(96)#
Travel expenses#			(231)#	(228)#
Present value movement in deferred consideration#			-#	-#
Operating Loss#			(16,604)#	(16,604)#
Finance costs#			(8,452)#	(8,452)#
Loss before income tax#			(25,056)#	(25,056)#
Income tax#			-#	-#
Loss after income tax#			(25,056)#	(25,056)#
Other comprehensive income#			-#	-#
Total comprehensive income#			(25,056)#	(25,056)#
Loss per share#			Cents#	Cents#
Basic and diluted loss per share#			(243)#	(243)#

2. Do TNC's directors consider the Half Year Report complies with Listing Rule 19.11A? In answering this question, please comment specifically on the Incomplete Records Disclosure contained at Note 1 of the Half Year Report.

TNC confirms that the TNC Directors consider that the Half Year Report complies with:

- Listing Rule 19.11A(a) because the accounts in the Half Year Report are prepared on a consolidated basis;
- Listing Rule 19.11A(d) because the required audit review was conducted in accordance with Australian auditing standards, in particular ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (see further below);
- Listing Rule 19.11A(e) because the director's declaration relating to the accounts was included in the Half Year Report; and
- Listing Rule 19.11A(f) because the director's report relating to the period covered by the accounts in the Half Year Report was included in the Half Year Report.

Listing Rule 19.11A(c) applies to audited accounts, and is not applicable to the Half Year Report.

TNC now understands that the Half Year Report did not comply with Listing Rule 19.11A(b), which requires the accounts in the Half Year Report to be prepared to Australian accounting standards, because the Incomplete Records Disclosure included the statement from TNC's Directors that "they [were] of the opinion that it is not possible to state that the financial report has been prepared in accordance with Australian Accounting Standards."

To the extent of information that was available at the date of the Half Year Report, to the knowledge of the TNC Directors, there was nothing that comprised non-compliance with the Accounting Standards, including AASB 134 Interim Financial Reporting. The TNC Directors prepared the Half Year Report to the best of their knowledge based on the information available and were confident that the Half Year Report did not include any material misstatement for the reasons given in the Background section above. However, due to the issues referred to in the Background section above, as at the date of the Half Year Report, the TNC Directors were unable to make an unqualified assertion that the Half Year Report was in compliance with the Corporations Act and AASB 134 Interim Financial Reporting, due to the potential that TNC's accounting records were incomplete, which is a Corporations Act matter (the Act requires an entity to maintain proper books and records).

There is no particular Accounting Standard that directly addresses the issue of having incomplete records. As noted above, to the extent of available information at the date of the Half Year Report, to the knowledge of the TNC Directors, there was nothing that comprised non-compliance with the Accounting Standards. If the TNC Directors had been aware any non-compliance with a specific requirement in a particular Accounting Standard, this would have been disclosed in the Directors' Report.

The issue of having incomplete records has been addressed in the re-issued Half Year Report, which does not include the Incomplete Records Disclosure or a disclaimer of conclusion from BDO. There has been no change to the loss stated in TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC's Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025.

In relation to the requirement in Listing Rule 19.11A(d) that the audit review be conducted in accordance with Australian auditing standards, TNC confirms that the audit review was undertaken in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. As noted in BDO's report in the Half Year Report dated 14 March 2025, BDO's disclaimer of conclusion was in accordance with ASRE 2410.

As noted above, the re-issued Half Year Report does not include the Incomplete Records Disclosure or a disclaimer of conclusion from BDO. Accordingly, TNC's Directors consider that the re-issued Half Year Report complies with Listing Rule 19.11A.

3. Does TNC's board consider there are reasonable grounds to believe that TNC will be able to pay its debts as and when they become due and payable? Please explain the basis for the conclusion reached in answering this question.

Yes. TNC is now free of all interest-bearing and amortizing debt following proceeds from the recapitalisation being used, in conjunction with the DOCA, to:

- discharge all of the unsecured debt of the Group (other than the deferred consideration payable to Perilya, which has been reduced from \$15,000,000 to \$7,500,000 and extended to December 2026 and is now secured by mining mortgages over the Mt Oxide tenements); and
- discharge the claims of secured creditors of the Group.

TNC has prepared an internal cashflow forecast for the period to 30 June 2026, being 18 months from completion of the re-capitalisation capital raising, that indicates that TNC has sufficient cashflow to continue as a going concern and pay its debts as and when they fall due and payable. On this basis, the TNC Directors consider that it is appropriate to prepare the Half Year Report dated 14 March 2025 and the re-issued Half Year Report on a going concern basis.

4. Does TNC consider that its financial condition is sufficient to warrant the continued quotation of its securities and its continued listing as required under Listing Rule 12.2? In answering this question, please comment on TNC's compliance with Listing Rule 19.11A.

Yes, for the reasons given in the Statement of Confirmations in the extract in Paragraph D of the Query Letter.

Please refer to the response to question 2 above in relation to TNC's compliance with Listing Rule 19.11A.

Pre-Quotation Confirmations

5. Did TNC's Directors authorise the issue of the Prospectus, including the Pro-Forma Historical Financial Information?

Yes.

6. If the answer to question 5 is “no”, please explain the basis for the Directors’ Consent disclosure contained in the Prospectus.

Not applicable.

7. Was TNC subject to Voluntary Administration during the period the Prospectus was prepared and issued by TNC?

Yes. TNC was subject to voluntary administration and then subject to the DOCA during the period the Prospectus was prepared and issued by TNC. As stated in the Prospectus, the Deed Administrators (as defined in the Prospectus) granted the Directors their approval under the DOCA to exercise the directors’ powers reflected in the Prospectus.

8. What procedures or processes did TNC’s Directors undertake to satisfy themselves that the Pro-Forma Historical Financial Information, including pro-forma and subsequent event adjustments up to the date of the Prospectus was free from material misstatement?

As stated in the Independent Limited Assurance Report (ILAR) prepared by BDO, which formed part of the Prospectus, TNC’s Directors at the time of the Prospectus were responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information (as defined in the ILAR) and included in the Pro Forma Historical Financial Information. As stated in the ILAR, this includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Pro Forma Historical Financial Information to be free from material misstatement, whether due to fraud or error.

The Pro Forma Historical Financial Information was prepared by TNC management, overseen by TNC’s Directors at the time. As stated in Section 6.6 of the Prospectus, the basis for preparation for the Pro Forma Historical Financial Information was in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information (as defined in the Prospectus) and the events or transactions to which the pro forma adjustments relate, as described in Section 6.8 of the Prospectus, as if those events or transactions had occurred as of 30 June 2024. As stated in Section 6.7 of the Prospectus, the Pro Forma Historical Financial Information was prepared to provide investors with information on the assets and liabilities of TNC and pro-forma assets and liabilities of TNC as noted in Sections 6.7 and 6.8 of the Prospectus.

TNC management determined the appropriate subsequent event and pro-forma adjustments in consultation with the due diligence committee established in connection with the re-capitalisation capital raising to oversee preparation of the Prospectus. Members of the due diligence committee included TNC Directors and management, as well as TNC’s legal advisers and the joint lead managers of the re-capitalisation capital raising. Representatives of the Deed Administrators attended meetings of the due diligence committee as observers. The due diligence committee was responsible for co-ordinating and overseeing the implementation of the Prospectus due diligence process, and reporting to the TNC Board regarding the conduct of the due diligence process. The due diligence process consisted of a typical due diligence process for a prospectus issued by an Australian company, including:

- a review of responses by TNC management to a management due diligence questionnaire;
- identification, analysis and discussion by TNC management of the key issues relevant to the Company and its business, with management reporting on those key issues to the DDC;
- legal review by TNC’s legal advisers in accordance with the terms of its engagement;
- recording of the identification and outcomes of analysis of key issues in a key issues list;
- where appropriate, reports from management, drawing on internal reporting systems, being provided to the DDC for consideration; and
- compilation of supporting documents for use in a verification process.

BDO Audit Pty Ltd was engaged by TNC to express a limited assurance conclusion on the Pro Forma Historical Financial Information, based on the procedures performed and the evidence it obtained. BDO conducted its engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information. As stated in the ILAR, a review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Based on its review, BDO concluded that nothing had come to their attention that caused them to believe

that the Pro Forma Historical Financial Information was not presented fairly in all material responses, in accordance with the stated basis of preparation as described in Section 6.6 of the Prospectus.

9. Were TNC's Directors able to obtain all information necessary from the Voluntary Administrators to enable the preparation of the Pro-Forma Historical Financial Information contained in the Prospectus to be free from material misstatement?

Yes.

10. If the answer to question 9 is "no", do TNC's Directors consider the Prospectus disclosure of the Pro-Forma Historical Financial Information was free from material misstatement?

Not applicable.

11. Please describe any difference in process followed by TNC's Directors when requesting information from the Voluntary Administrators for the preparation of the Pro-Forma Financial Information contained in the Prospectus when compared to the process followed to obtain information from the Voluntary Administrators for the preparation of TNC's Half Year Financial Report.

There was no difference in process followed by TNC's Directors when requesting information from the Voluntary Administrators for the preparation of the Pro-Forma Financial Information contained in the Prospectus when compared to the process followed to obtain information from the Voluntary Administrators for the preparation of TNC's Half Year Financial Report.

During the DOCA period, TNC management was in constant contact with the Deed Administrators to cross agree matters regarding GST lodgements, payroll tax, PAYG, workers compensation, royalty returns, priority payments and clarifications on various balance sheet items.

The difference lies in what information was required to prepare the Pro Forma Historical Financial Information for the Prospectus compared to the accounts included in the Half Year Report.

The Pro Forma Historical Financial Information comprised a pro forma historical consolidated statement of financial position for TNC as at 30 June 2024, and was derived from TNC's Statutory Historical Financial Information (being TNC's historical consolidated statement of financial position as at 30 June 2024), after adjusting for the effects of subsequent events and pro forma adjustments described in Sections 6.7 and 6.8 of the Prospectus.

As stated in the response to question 8 above, the Pro Forma Historical Financial Information was prepared by TNC management, overseen by TNC's Directors. The TNC Directors and management were able to access all information required from the Deed Administrators during the Prospectus drafting process to prepare and verify the Pro Forma Historical Financial Information. The subsequent events and pro forma adjustments did not require TNC management to have access to full transaction journals for the Voluntary Administration and DOCA period, as the subsequent events and pro forma adjustments only related to:

- material subsequent event transactions as set out in Section 6.8(a) of the Prospectus; and
- pro forma adjustments for the effect of the re-capitalisation capital raising and the DOCA as set out in Section 6.8(b) of the Prospectus.

The Half Year Financial Report includes significantly more detailed accounts, including TNC's:

- Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024;
- Consolidated Statement of Financial Position as at 31 December 2024;
- Consolidated Statement of Changes in Equity for the half-year ended 31 December 2024; and
- Consolidated Statement of Cash Flows for the half-year ended 31 December 2024.

These accounts require much more detailed underlying journals and ledgers than were required to prepare and verify the Pro Forma Historical Financial Information for the Prospectus.

12. Please describe any factors or transactions which occurred or became known between 3 December 2024 to 31 December 2024 which caused TNC's Directors to form the view disclosed in the Half Year Report that *'there may be information that they were not able to obtain, and the impact of which may or may not be material on the 31 December 2024 Half Year Report'*.

As noted in the Background section above, as at the date that the Half Year Report was signed by the TNC Directors (14 March 2025), the background for the inclusion of the Incomplete Records Disclosure was as follows:

- TNC management received transaction journals from KordaMentha for the voluntary administration period from 21 October to 19 November 2024 and separately for the DOCA period from 20 November to 31 December 2024.
- KordaMentha accounted for transactions during the period on a cash basis, whereas TNC is required to prepare its accounts on an accruals basis.
- As at the date of the Half Year Report, the transaction journals were not complete for that period on the basis that:
 - Approximately \$1.4 million was remaining unallocated in the creditors' trust established under the DOCA. The Deed Administrators are required to follow a formal proof of debt adjudication process before authorising payments to creditors from the creditors' trust. This process was completed, and the first and final dividend was paid from the creditors' trust on 20 March 2025 (after the date of the Half Year Report).
 - Approximately \$1.13 million was remaining unallocated in the Administrators' trust account for payments to suppliers during the Voluntary Administration and DOCA periods. Delays in supplier invoices over the Christmas period meant that suppliers who undertook work during the December 2024 quarter may not have issued invoices until later in January or February, which may not have been paid until late February or March 2025.
- TNC is required to subsequently code the transactions in the KordaMentha transaction journals using its own chart of accounts, which requires a review of the nature of all of the transactions and in some cases, clarification from KordaMentha as to the details and nature of some transactions, before TNC can subsequently post them to its own ledgers. As at the date of the Half Year Report, journal coding for post 1 January 2025 transactions (on a cash basis) was not complete for the reasons outlined above, which may have affected the period of the Half Year Report which is reported on an accruals basis.
- Due to the transaction journals being provided on a cash accounting basis, the TNC Directors were not able to confirm with certainty what non-cash transactions had occurred during the relevant period.

Despite the above challenges, the TNC Directors were confident that the Half Year Report did not include any material misstatement on the basis that the transactions posted in the transaction journals provided reconciled with the difference between the cash balances in the Group's bank accounts as at the commencement of the Voluntary Administration period to the balance of cash held on 31 December 2024 when the TNC Directors resumed control of the Group's business, property and affairs.

In summary, the TNC Directors considered that the Incomplete Records Disclosure was appropriate in light of the issues referred to above, rather than due to any concerns on the part of the TNC Directors that the Half Year Report did not comply with the Australian Accounting Standards or due to any concerns that the Half Year Report contained any material misstatements.

As noted in the Background section above, TNC subsequently met with KordaMentha, TNC's previous Voluntary and Deed Administrators, to understand all payments that had been made by KordaMentha pursuant to the DOCA for the period to 25 March 2025, including the first and final dividend payment made to unsecured creditors from the creditors' trust on 20 March 2025.

TNC also formed a view as a result of that meeting that there were no other non-cash transactions undertaken by KordaMentha that had not already been reported to TNC.

Consequently, the TNC Directors resolved that the Half Year Report should be re-issued without the Incomplete Records Disclosure. As a consequence, the Half Year Report has been re-issued on 27 March 2025, without the Incomplete Records Disclosure and without a disclaimer of conclusion from BDO. There has been no change to the

loss stated in TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC's Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025. As can be seen in the comparison table provided in the response to question 1 above, the only changes to TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024 in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025 relate to allocation of various transactions as between different P&L expense accounts arising from payments relating to the period of the Half Year Report but which were made from 1 January 2025 as referred to above.

13. Were TNC's directors able to obtain all information necessary from the Voluntary Administrators to enable the preparation of the Half Year Report to be free from material misstatement?

Yes. Despite the challenges noted in the Background section and the response to question 12 above, the TNC Directors were confident that the Half Year Report did not include any material misstatement on the basis that the transactions posted in the transaction journals provided reconciled with the difference between the cash balances in the Group's bank accounts as at the commencement of the Voluntary Administration period to the balance of cash held on 31 December 2024 when the TNC Directors resumed control of the Group's business, property and affairs.

As noted in the Background section above, TNC subsequently met with KordaMentha, TNC's previous Voluntary and Deed Administrators, to understand all payments that had been made by KordaMentha pursuant to the DOCA for the period to 25 March 2025, including the first and final dividend payment made to unsecured creditors from the creditors' trust on 20 March 2025.

TNC also formed a view as a result of that meeting that there were no other non-cash transactions undertaken by KordaMentha that had not already been reported to TNC.

Consequently, the TNC Directors resolved that the Half Year Report should be re-issued without the Incomplete Records Disclosure. As a consequence, the Half Year Report has been re-issued on 27 March 2025, without the Incomplete Records Disclosure and without a disclaimer of conclusion from BDO. There has been no change to the loss stated in TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024, nor to TNC's Consolidated Statement of Financial Position as at 31 December 2024, in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025. As can be seen in the comparison table provided in the response to question 1 above, the only changes to TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024 in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025 relate to allocation of various transactions as between different P&L expense accounts arising from the payments relating to the period of the Half Year Report but which were made from 1 January 2025 as referred to in the Background section and the response to question 12 above.

14. If the answer to question 13 is "no", please explain why not?

Not applicable.

15. Please confirm that TNC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and 19.11A.

Confirmed. Please refer to the response to question 2 above for further information on compliance with Listing Rule 19.11A.

As noted in the Background section and the responses above, following:

- the meeting with KordaMentha, to understand all payments that had been made by KordaMentha pursuant to the DOCA for the period to 25 March 2025 (including the first and final dividend payment made to unsecured creditors from the creditors' trust on 20 March 2025); and
- TNC also forming the view as a result of that meeting that there were no other non-cash transactions undertaken by KordaMentha that had not already been reported to TNC,

TNC's Directors resolved that the Half Year Report should be re-issued without the Incomplete Records Disclosure. As a consequence, the Half Year Report has been re-issued on 27 March 2025, without the Incomplete Records Disclosure and without a disclaimer of conclusion from BDO.

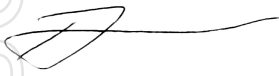
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comparison table provided in the response to question 1 above, the only changes to TNC's Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024 in the re-issued Half Year Report compared to the Half Year Report dated 14 March 2025 relate to allocation of various transactions as between different P&L expense accounts arising from the payments relating to the period of the Half Year Report but which were made from 1 January 2025 as referred to in the Background section and the response to question 12 above.

- 16. Please confirm that TNC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TNC with delegated authority from the board to respond to ASX on disclosure matters.**

This response has been authorised and approved by TNC's Board of directors.

Yours sincerely



Paul Frederiks
Non-Executive Director and Company Secretary
True North Copper



24 March 2025

Reference: 107500

Mr Paul Frederiks
Company Secretary
True North Copper Limited

By email: paul.frederiks@truenorthcopper.com.au

Dear Mr Frederiks

True North Copper Limited ('TNC'): ASX Query Letter

ASX refers to the following:

A. TNC's announcement titled 'Company Update and appointment of Voluntary Administrators' released to the ASX Market Announcements Platform ('MAP') on 22 October 2024 disclosing the appointment of Korda Mentha as Voluntary Administrators of TNC and certain TNC group entities.

B. TNC's announcement titled 'Share Purchase Plan Prospectus' released to MAP on 4 December 2024 ('Prospectus') which disclosed, among other things, the following:

- (i) a pro-forma statement of financial position, based on TNC's 30 June 2024 audited statement of financial position, together with pro-forma adjustments which contemplated the effect of a capital raising, settlement of debts and subsequent events up until 3 December 2024 (being the date of the independent limited assurance report) ('Pro-Forma Historical Financial Information');
- (ii) an independent limited assurance report from BDO Audit Pty Ltd on the Pro-Forma Financial Historical Financial Information ('ILAR'). The ILAR contained an un-modified, or 'clean' review opinion; and
- (iii) a statement confirming the following in relation to the authorisation of the Prospectus:

"This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC."

('Directors' Consent').

C. TNC's announcement titled 'Effectuation of Deed of Company Arrangement' released to MAP on 2 January 2025 which disclosed the following:

"The Company is pleased to announce that the Deed of Company Arrangement ("DOCA") has now been effectuated as confirmed by the lodgement with the Australian Securities and Investments Commission made by the former Deed Administrator (see Annexure 1) and full control of the Company has passed to the Directors of the Company with newly appointed Non-Executive Chairman, Mr Paul Cronin, joining the existing Board, Mr Bevan Jones (Managing Director), Paul Frederiks (Director, CFO and Company Secretary) and Tim Dudley (Non-Executive Director).

The Company's subsidiary companies were also the subject of the DOCA and have also exited external administration.

By way of background, at a meeting of the Company's creditors held on 18 November 2024, creditors resolved that the Company and its subsidiary companies enter into a DOCA to recapitalise the Company and restructure its debts. The DOCA was entered into on 19 November 2024.

The terms of the DOCA contained, amongst other things, a number of specific conditions that the Company was required to meet in order to effectuate the DOCA and to allow reinstatement of the Company's shares on the ASX.

Retirement of the previous secured debt facility, completion of the capital raising and effectuation of the DOCA were key steps in the Company's path towards readmission of its shares to trading on ASX

The Company will now work with ASX to satisfy the conditions to re-admission of its shares to trading on ASX."

- D. TNC's announcement titled 'Statement of Confirmations' released to MAP on 13 January 2025, which disclosed the following in response to ASX's Conditional Reinstatement Letter:

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

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.

('TNC Reinstatement Confirmations')

- E. TNC's half year report for the period ended 31 December 2024, released on MAP on 14 March 2025 ('Half Year Report') which contained:

- (i) a disclaimer of conclusion from TNC's auditor, BDO Audit Pty Ltd, as set out below:

Report on the Half-Year Financial Report

Disclaimer of conclusion

We were engaged to review the half-year financial report of True North Copper Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying financial report of the Company. Because of the significance of the matters described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this financial report.

Basis for disclaimer of conclusion

As disclosed in note 1 to the financial statements, on 21 October 2024 True North Copper Limited was placed into voluntary administration. Following the appointment of the Administrators, the powers of the directors and officers of True North Copper Limited were suspended and the Administrators assumed control of the Company's business, property and affairs. The Company was released from administration on 31 December 2024, following the settlement of a Deed of Company Arrangement. The directors prepared the financial report using data provided by the Administrators. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the financial statements.

As a result, we were unable to obtain sufficient appropriate evidence to enable us form a review conclusion.

(ii) The following disclosure at Note 1 of the Half Year Report ('Incomplete Records Disclosure'):

Incomplete Records

To prepare this financial report, the Directors reconstructed the financial records of the Group for the period of Voluntary Administration including the DOCA period (i.e. from 21 October 2024 to 31 December 2024) using data provided by the Administrators. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the financial statements.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

- F. The Notice of Suspension from Quotation of TNC's securities under Listings Rule 17.3, on the basis that TNC's financial condition was not adequate to warrant continued quotation of its securities, released on MAP on 21 March 2025.
- G. Listing Rule 12.2 which states:

"12.2 *An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued +quotation of its +securities and its continued listing.*"
- H. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

- I. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:
- “an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*
- J. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled “When does an entity become aware of information?”
- K. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- “3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following 5 situations applies:*
- It would be a breach of a law to disclose the information;*
 - The information concerns an incomplete proposal or negotiation;*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - The information is generated for the internal management purposes of the entity; or*
 - The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed.”*
- L. The concept of “confidentiality” detailed in section 5.8 of *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”*
- M. Listing Rule 19.11A, which states:
- 19.11A If a listing rule requires an entity to give ASX +accounts, the following rules apply.*
- (a) *If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the +accounts must be consolidated +accounts.*
- (b) *The +accounts must be prepared to Australian accounting standards. If the entity is a +foreign entity the +accounts may be prepared to other standards agreed by ASX. (Emphasis added)*
- (c) *If the listing rule requires audited +accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a +foreign entity, the audit may be conducted in accordance with other*

standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.

- (d) *If the listing rule requires +accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a +foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a +foreign entity, an overseas equivalent of a registered company auditor).*
- (e) *If there is a +directors' declaration that relates to the +accounts, the +directors' declaration must be given to ASX with the +accounts.*
- (f) *If there is a +directors' report that relates to the period covered by the +accounts, the +directors' report must be given to ASX with the +accounts.*

Request for information

Having regard to the above, ASX asks TNC to respond separately to each of the following questions:

Half Year Report

1. Is TNC able to confirm that in the Directors' Opinion the Half Year Report:
 - (a) complies with the relevant Accounting Standards, including AASB 143 Interim Financial Reporting and the Corporations Regulations; and
 - (b) gives a true and fair view of TNC's financial performance and position for the half year ended 31 December 2024?
2. Do TNC's directors consider the Half Year Report complies with Listing Rule 19.11A? In answering this question, please comment specifically on the Incomplete Records Disclosure contained at Note 1 of the Half Year Report.
3. Does TNC's board consider there are reasonable grounds to believe that TNC will be able to pay its debts as and when they become due and payable? Please explain the basis for the conclusion reached in answering this question.
4. Does TNC consider that its financial condition is sufficient to warrant the continued quotation of its securities and its continued listing as required under Listing Rule 12.2? In answering this question, please comment on TNC's compliance with Listing Rule 19.11A.

Pre-Quotation Confirmations

5. Did TNC's Directors authorise the issue of the Prospectus, including the Pro-Forma Historical Financial Information?
6. If the answer to question 5 is "no", please explain the basis for the Directors' Consent disclosure contained in the Prospectus.
7. Was TNC subject to Voluntary Administration during the period the Prospectus was prepared and issued by TNC?
8. What procedures or processes did TNC's Directors undertake to satisfy themselves that the Pro-Forma Historical Financial Information, including pro-forma and subsequent event adjustments up to the date of the Prospectus was free from material misstatement?

-
9. Were TNC's Directors able to obtain all information necessary from the Voluntary Administrators to enable the preparation of the Pro-Forma Historical Financial Information contained in the Prospectus to be free from material misstatement?
10. If the answer to question 9 is "no", do TNC's Directors consider the Prospectus disclosure of the Pro-Forma Historical Financial Information was free from material misstatement?
11. Please describe any difference in process followed by TNC's Directors when requesting information from the Voluntary Administrators for the preparation of the Pro-Forma Financial Information contained in the Prospectus when compared to the process followed to obtain information from the Voluntary Administrators for the preparation of TNC's Half Year Financial Report.
12. Please describe any factors or transactions which occurred or became known between 3 December 2024 to 31 December 2024 which caused TNC's Directors to form the view disclosed in the Half Year Report that *'there may be information that they were not able to obtain, and the impact of which may or may not be material on the 31 December 2024 Half Year Report'*.
13. Were TNC's directors able to obtain all information necessary from the Voluntary Administrators to enable the preparation of the Half Year Report to be free from material misstatement?
14. If the answer to question 13 is "no", please explain why not?
15. Please confirm that TNC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and 19.11A.
16. Please confirm that TNC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TNC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12 PM AWST Thursday, 27 March 2025.**

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TNC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require TNC to request a trading halt immediately if trading in TNC's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in TNC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to TNC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that TNC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance