

Financial Report
For the half-year ended 31 December 2023

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DIRECTORS' REPORT

The Directors present their report on the Consolidated Entity consisting of True North Copper Limited ("TNC" or "Company"), and the entities it controlled (together referred to as the "Consolidated Entity" or "Group") for the half-year ending 31 December 2023.

DIRECTORS

The names and details of the Directors of True North Copper Limited in office at the date of this report or at any time during the financial period are:

Name	Position during the period	Period of directorship
Ian McAleese	Non-Executive Chairman	Appointed 22 June 2020
Martin Costello	Managing Director	Appointed 26 May 2023
Paul Frederiks	Non-Executive Director	Appointed 11 July 2017
Tim Dudley	Non-Executive Director	Appointed 6 June 2023
Jane Seawright	Non-Executive Director	Appointed 5 July 2023

REVIEW OF OPERATIONS

Copper Sulphate Pentahydrate Production

The company started producing copper sulphate pentahydrate at its Cloncurry Project, Queensland in Aug 23, after completing the refurbishment of solvent extraction and crystal plant. It also secured an exclusive offtake deal with Kanins International, one of the largest copper sulphate suppliers in Australia.

The company's production and sales of copper sulphate were below the operational target, due to several events that occurred during the period, such as:

- A switch in TNC's operational power supply source (Total Generators to Aggreko) which caused unexpected harmonics issues.
- A breakdown of the tank agitator in TK5.
- A decrease in crystal formation due to severe heat conditions including more than 23 days >40 degrees Celsius in December 2023

These events did not affect the overall production or revenue from operations, but only delayed them until the next quarter. The unprocessed ore that was stockpiled due to these events will be processed in the following periods. Heap Leach irrigation is being enhanced to optimise solution transfer. Acid and other reagents are being consumed as planned. As the Heap leach area grows, further improvements in flow monitoring, dripper layout, cell stack heights are being implemented to improve copper solution recovery.

Exploration and Resource Discovery

After completing the reverse takeover, the company embarked on a comprehensive and extensive drilling program at Great Australian Mine, Wallace North and Mt Oxide tenements.

Mt Oxide

The company's ongoing exploration efforts, especially at Mt Oxide Vero Resources, aimed to increase the resource base and the first diamond drill hole yielded an impressive intersection of 66.5m @4.95% Cu and 32.7g/t Ag. The company also conducted infill drilling and resource extension through metallurgical holes at the Vero resources. A 12-hole diamond drilling program (3,955m) was finished in October 2023, which was intended to verify historical high-grade intersections and test the step-off extensions to the existing Vero Copper Resource. The Results (announced November 2023) showed remarkable copper intercepts and demonstrated the high-grade nature of the Vero Copper.

Wallace North

The company carried out resource extension drilling and induced polarisation (IP) survey at Wallace North and discovered multiple open zones of high-grade copper and gold mineralisation. The company also completed an eight-hole infill and extension drill program which resulted in an increase in tonnage (7% increase in contained copper and 18% increase in contained gold). Increased gold ounces further indicate the potential for Wallace North to produce a significant gold by-product along with copper.

FINANCIAL RESULTS

Loss for the period

During the financial period the Consolidated Entity's incurred a loss of \$13,697,904 (Dec 2022: \$2,143,041)

Liquidity and Financing

As at 31 December 2023 the Consolidated Entity had cash reserves of \$1,635,327 and net current liabilities of \$17,073,928.

The Consolidated Entity requires further capital to fund future exploration and development activity and meet other necessary corporate expenditure.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following conditions:

- The ability to generate revenue from copper sulphate production at its Cloncurry project in a manner that generates sufficient operating cash inflows;
- The successful exploration and subsequent exploitation of the Consolidated Entity's tenements;
- Continued support from its major shareholder, including an assumption that the working capital loan will be converted to equity;
- The ability of the consolidated entity to raise sufficient capital as and when necessary.

EVENTS AFTER REPORTING DATE

On 16th January 2024, the Company issued 54,166,667 shares to its major shareholder, Tembo Capital Holdings UK, at \$0.12 per share. 36,286,100 shares issued as settlement to the short-term loan provided by Tembo Capital Holdings UK (refer Note 6). The remaining 17,800,567 shares were issued in exchange for cash.

On 18th January 2024, the Company received \$2.15M in equity from Tembo Capital Mining Fund III. On the same day it advised that the short-term working loan from Tembo capital in July 2023 for \$4M along with interest were converted into equity ahead of its maturity date 21st Jan 2024.

On 23rd January 2024 the Company announced it has signed binding offtake and toll-milling agreements with one of the world's largest natural resource companies, Glencore International AG (Glencore) for its Cloncurry Copper Project (CCP) in Queensland. The highlights of the agreement are:

- Binding offtake agreement with Glencore for 100% of copper concentrate from TNC's CCP.
- Toll-milling services, up to 1 million tonnes of ore per year for the CCP's Life of Mine (LoM)

The Key Benefits to the company include:

- Concentrate processed at the nearby Mt Isa Smelter (approx. 120km by major arterial road network), providing greater freight certainty and economic and logistics value.
- TNC will be entitled to claim 20% Queensland State Royalty discount for all material processed through the Mt Isa Smelter.
- Provides certainty of concentrate sales for the CCP.

On 31st January 2024, the Company announced that it had executed binding agreements with Nebari Natural Resources Fund for a four-year USD\$28 million (A\$42 million AUD equivalent) USD denominated senior secured loan facility. In connection with the Loan Facility, the Company agreed to issue to Nebari (or its nominee/s):

- 46,383,038 warrants exercisable at A\$0.1177 (Tranche 1 Warrants); and
- subject to TNC shareholder approval, additional warrants to be issued on second drawdown for the Tranche 2 loan amount (Tranche 2 Warrants).

The company subsequently announced it had met all Tranche 1 conditions precedent of the senior secured loan facility (Loan Facility) with Nebari Natural Resources Credit Fund II LP. Consequently, the first drawdown (Tranche-1) of USD18 million was made on Friday, 9 February 2024.

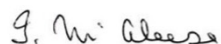
The Key details of the Tranche 1 funding include:

- As a part of the Tranche 1 facility the following will be replaced and repaid:
 - Cloncurry Rehabilitation Bond: approximately A\$13.47 million to be held on term deposit paying approximately 5% per annum interest, with bank guarantees to be issued to satisfy the Company's obligations with respect to rehabilitation bonding requirements; and
 - Dyda Property Management short-term working capital loan: approximately A\$5.32 million repaid in full.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration on page 7 forms part of the Directors' Report.

Signed in accordance with a resolution of the board of directors of True North Copper Limited.



Ian McAleese
Chairman
14 March 2024

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DECLARATION OF INDEPENDENCE BY R J LIDDELL TO THE DIRECTORS OF TRUE NORTH COPPER LIMITED

As lead auditor for the review of True North Copper Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of True North Copper Limited and the entities it controlled during the period.



R J Liddell
Director

BDO Audit Pty Ltd

Brisbane, 14 March 2024

STATEMENT OF COMPREHENSIVE INCOME



Consolidated Statement of Comprehensive Income For the half-year ended 31 December 2023

	Note	December 2023 \$	December 2022 \$
Revenue	1	1,193,982	-
Other income		3,545	794,358
Movement in rehabilitation provision		106,469	-
Copper sulphate chemicals and reagents		(854,866)	-
Employee expenses		(3,980,667)	(434,457)
Consultant and advisory expenses		(1,029,786)	(539,954)
Fuel expenses		(742,019)	(140,544)
Consumable expenses		(279,958)	(201,711)
Environmental fees and monitoring expenses		(268,898)	(197,590)
Contractor and other operational expenses		(1,053,828)	(717,764)
Equipment hire expenses		(1,805,290)	-
Administration expenses		(678,599)	(37,318)
Travel expenses		(467,939)	(49,092)
Corporate compliance and investor relations expenses		(970,794)	(392,890)
Transaction costs – Round Oak Minerals		-	(153,025)
Present value movement in deferred consideration		(138,295)	-
Finance costs		(820,647)	(54,149)
Depreciation and amortisation		(139,198)	(18,907)
Share based payments		(645,687)	-
Fee to procure environmental bond	10	(1,125,428)	-
Loss before income tax		(13,697,904)	(2,143,041)
Income tax		-	-
Loss after income tax		(13,697,904)	(2,143,041)
Other comprehensive income		-	-
Total comprehensive income		(13,697,904)	(2,143,041)
Loss per share		Cents	Cents
Basic and diluted loss per share		(2.88)	(2.1)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION



Consolidated Statement of Financial Position As at 31 December 2023

	Note	December 2023 \$	June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		1,635,327	3,491,460
Trade and other receivables		706,389	1,854,566
Other current assets		526,167	1,395,770
Inventories		354,612	-
TOTAL CURRENT ASSETS		3,222,495	6,741,796
NON-CURRENT ASSETS			
Property, plant and equipment	3	761,269	793,352
Exploration and evaluation assets	4	72,784,535	67,048,938
Other receivables		511,196	322,455
Right-of-use assets		346,949	393,209
TOTAL NON-CURRENT ASSETS		74,403,949	68,557,954
TOTAL ASSETS		77,626,444	75,299,750
CURRENT LIABILITIES			
Trade and other payables	5	10,134,650	16,430,935
Borrowings	6	9,798,136	-
Short-term provisions		280,437	113,483
Lease liabilities		83,200	77,937
TOTAL CURRENT LIABILITIES		20,296,423	16,622,355
NON-CURRENT LIABILITIES			
Other payables	5	18,046,729	13,908,435
Environment rehabilitation provision		14,776,550	14,880,104
Lease liabilities		285,327	328,274
TOTAL NON-CURRENT LIABILITIES		33,108,606	29,116,813
TOTAL LIABILITIES		53,405,029	45,739,168
NET ASSETS		24,221,415	29,560,582
EQUITY			
Contributed capital	7	74,738,362	67,025,312
Reserves		939,072	293,385
Accumulated losses		(51,456,019)	(37,758,115)
TOTAL EQUITY		24,221,415	29,560,582

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY



Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2023

	Contributed Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Total \$
Balance as at 1 July 2022	100	(3,711,592)	-	(3,711,492)
Transactions with owners in their capacity as owners				
Issue of share capital	4,538,219	-	-	4,538,219
Capital raising costs	-	-	-	-
Total	4,538,219	-	-	4,538,219
Comprehensive income				
Loss after income tax	-	(2,143,041)	-	(2,143,041)
Total comprehensive income	-	(2,143,041)	-	(2,143,041)
Balance at 31 December 2022	4,538,319	(5,854,633)	-	(1,316,314)
Balance at 1 July 2023	67,025,312	(37,758,115)	293,385	29,560,582
Transactions with owners in their capacity as owners				
Issue of share capital (note 7)	8,500,000	-	-	8,500,000
Capital raising costs (note 7)	(786,950)	-	-	(786,950)
Share based payments	-	-	645,687	645,687
Total	7,713,050	-	645,687	8,358,737
Comprehensive income				
Loss after income tax	-	(13,697,904)	-	(13,697,904)
Total comprehensive income	-	(13,697,904)	-	(13,697,904)
Balance at 31 December 2023	74,738,362	(51,456,019)	939,072	24,221,415

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CASH FLOWS



Consolidated Statement of Cash Flows For the half-year ended 31 December 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,117,100	374,443
Payments to suppliers and employees		(12,063,822)	(1,524,654)
Interest received		17,864	-
Finance costs		(233,713)	-
Net cash used in operating activities		(11,162,571)	(1,150,211)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(60,855)	-
Payments for exploration and evaluation assets		(6,110,045)	(1,556,230)
Payments for security bonds		(188,742)	-
Deferred consideration payments - CopperCorp		(727,318)	-
Proceeds from the disposal of investments		-	7,710
Net cash used in investing activities		(7,086,960)	(1,548,520)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	7	8,500,000	-
Cost associated with the issue of shares	7	(786,950)	-
Proceeds from borrowings	6	11,000,000	7,980,000
Repayment of borrowings	6	(2,281,968)	(4,815,495)
Lease principal payments		(37,684)	(9,008)
Net cash provided by/(used in) financing activities		16,393,398	3,155,497
Net decrease in cash and cash equivalents held		(1,856,133)	456,766
Cash and cash equivalents at the beginning of the financial period		3,491,460	53,439
Cash and cash equivalents at the end of the financial period		1,635,327	510,205

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Reporting Entity**

This consolidated interim financial report covers the Consolidated Entity of True North Copper Limited (the “Company”) and its controlled entities (together referred to as the “Group”, the “Consolidated Entity” or “TNC”). True North Copper Limited is a listed public company, incorporated and domiciled in Australia.

Operations and principal activities

True North Copper Limited is an active mineral exploration company with land holdings in North Queensland and Central Queensland. The Company currently holds 100% exploration tenements for copper, cobalt, gold and silver and also has a 10% free carried interest (to bankable feasibility study) in three New South Wales Cu-Au porphyry tenements currently operated by Lachlan Resources Limited.

Currency and rounding

The financial report is presented in Australian dollars which is the functional currency of the Company.

The Company is a kind referred to in Australian Securities & Investment Commission (ASIC) Corporations Instrument 2016/191, and in accordance with that instrument all financial information presented in Australian Dollars has been rounded to the nearest dollar.

Statement of Compliance

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the interim financial report.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2023.

The financial report was authorised for issue on 14th March 2024.

Accounting Policies

Except for the accounting policies noted below, the accounting policies and methods of computation applied by the Consolidated Entity in the consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report as at and for the year ended 30 June 2023:

Revenues

The Company started producing copper sulphate pentahydrate at its Cloncurry Project, Queensland in August 2023, after completing the refurbishment of solvent extraction and crystal plant.

The Company has an exclusive contract with a customer for the sale of Copper Sulphate Pentahydrate. Sales of Copper Sulphate Pentahydrate are recognised at a point in time upon transfer of control to the customer and is measured at the amount to which the Consolidated Entity expects to be entitled which is based on the pricing formula stated in the customer agreement.

The transfer of control to the customer occurs on an “ex works” basis and when a certificate of analysis is provided. The revenue is measured at the transaction price agreed and payment is received normally within 5-15 days.

Inventories

Inventories comprise consumables. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

New Accounting Standards

A number of new or amended standards became applicable for the current reporting period. The impact of the adoption these standards did not have any impact on the Consolidated Entity’s accounting policies and did not require retrospective adjustments.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The consolidated entity has a net deficiency of current assets as at 31 December 2023 of \$17,073,928. The consolidated entity incurred a loss of \$13,697,904 for the half-year to 31 December 2023 and cash outflows from operating activities of \$11,162,571. The consolidated entity requires further capital to fund future exploration activity and meet other necessary corporate expenditure.

The ability of the consolidated entity to continue as a going concern is principally dependent upon one or more of the following conditions:

- The ability to generate revenue from copper sulphate production at its Cloncurry project in a manner that generates sufficient operating cash inflows.
- The successful exploration and subsequent exploitation of the Consolidated Entity's tenements.
- Continued support from its major shareholder.
- The ability of the consolidated entity to raise sufficient capital as and when necessary.

These conditions give rise to material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Consolidated Entity has funded its activities through issuance of equity securities, and it is expected that the Consolidated Entity will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Consolidated Entity to continue operating based on the Company's cash flow forecast.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity be unable to continue as a going concern.

NOTE 2 SEGMENT REPORTING

Reportable Segments

The Consolidated Entity has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources.

Management currently identifies the Consolidated Entity as having only one reportable segment, being exploration, development, and operations for minerals. The financial results from this segment are equivalent to the financial statements of the Group. The financial results from this segment are equivalent to the financial statements of the consolidated entity. All assets are in Australia.

NOTE 3 PLANT AND EQUIPMENT

	December 2023 \$	June 2023 \$
Office equipment at cost	253,581	192,726
Accumulated depreciation	(74,537)	(30,896)
	179,044	161,830
Plant and equipment at cost	124,033	60,833
Accumulated depreciation	(93,037)	(22,660)
	30,996	38,173
Motor vehicles at cost	194,773	194,773
Accumulated depreciation	(37,411)	(13,594)
	157,362	181,178
Buildings and improvements	234,063	234,063
Accumulated depreciation	(40,196)	(21,892)
	193,867	212,171
Land	200,000	200,000
Total plant and equipment	761,269	793,352

Movements during the financial period

Half-year ended. 31 December 2023	Office Equipment	Plant and Equipment	Motor Vehicles	Building & Improvements	Land	Total
Balance at 1 July 2023	161,830	38,172	181,179	212,171	200,000	793,352
Additions	60,855	-	-	-	-	60,855
Depreciation	(43,641)	(7,176)	(23,817)	(18,304)	-	(92,938)
Balance 31 December 2023	179,044	30,996	157,362	193,867	200,000	761,269

Year ended 30 June 2023	Office Equipment	Plant and Equipment	Motor Vehicles	Building & Improvements	Land	Total
Balance at 1 July 2022	-	-	-	-	200,000	200,000
Additions	186,594	-	143,529	234,063	-	564,186
Acquisitions	6,132	60,832	51,244	-	-	118,208
Depreciation	(30,896)	(22,660)	(13,594)	(21,892)	-	(89,042)
Balance 30 June 2023	161,830	38,172	181,179	212,171	200,000	793,352

NOTE 3 PLANT AND EQUIPMENT (continued)

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of fixed assets is depreciated over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The depreciation rates used for each class of asset is:

<u>Class of Fixed Asset</u>	<u>Depreciation Rates</u>	<u>Depreciation Method</u>
Office equipment	20-40%	Diminishing value
Plant and equipment	30-33%	Diminishing value
Motor vehicles	25%	Diminishing value
Buildings and improvement	20-30%	Diminishing value/straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

NOTE 4 EXPLORATION AND EVALUATION ASSETS

	December 2023 \$	June 2023 \$
Balance at beginning of the year	67,048,939	21,482,003
Additions	5,735,596	10,006,102
Additions – Mt Oxide transaction	-	32,979,000
Acquisition – CopperCorp transaction	-	688,000
Acquisition – True North transaction	-	2,704,058
Disposals	-	(810,225)
Balance at end of the year	72,784,535	67,048,938

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but does not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

The Directors have assessed the exploration and evaluation assets recognised as at 31 December 2023 and the facts and circumstances do not suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

NOTE 5 TRADE AND OTHER PAYABLES

	December 2023 \$	June 2023 \$
Current		
Trade payables	4,133,235	5,416,904
Other payables and accrued expenses	1,001,415	1,286,712
Deferred consideration	5,000,000	9,727,319
	10,134,650	16,430,935
Non-Current		
Deferred consideration	18,046,729	13,908,435

Trade payables are amounts due to suppliers for goods purchased or services provided in the ordinary course of business. Trade payables are generally due for settlement within 30 days and therefore are all classified as current.

Other payables and accrued expenses generally arise from normal transactions within the usual operating activities of the Group and comprise items such as employee taxes, employee on costs, GST, and other recurring items.

Deferred consideration are amounts payable to vendors at a future date. Where the amount payable is due greater than 12 months from reporting date, the amount is discounted to present value using an appropriate discount rate.

NOTE 6 BORROWINGS

	December 2023 \$	June 2023 \$
Current		
Tembo Capital Mining Fund III	4,353,926	-
Dyda Property Management Pty Ltd	5,233,008	-
Insurance premium financing	211,202	-
	9,798,136	-

Tembo Capital Mining Fund III

On 31 July 2023, the Company advised that it had secured a Tembo Capital Mining Fund III (an associate of major shareholder Tembo Capital Holdings UK Ltd) provided a short-term working capital loan from for \$4,000,000 in late July 2023. The loan had an interest rate of 12% per annum. The loan was repayable by 21 January 2024, and may be repaid early without penalty. The loan is unsecured, and the Company has paid a non-refundable draw down fee of 2% of the total amount of the loan, and an establishment fee of 1% of the total amount of the loan.

The loan was settled on 16 January 2024 through the issue of 36,286,100 shares.

Dyda Property Management Pty Ltd

On 7 September 2023, the Company secured a short-term working capital facility for \$5,000,000 from Dyda Property Management at an interest rate of 15% per annum. The loan is secured against mining and exploration tenements. The loan has been repaid on 9th February 2024.

Insurance premium funding

An insurance premium funding facility was provided by Attvest Finance. The amount is unsecured, repayable in monthly instalments by August 2024 and bears interest at 11.4% per annum.

NOTE 6 BORROWINGS (continued)**Movements during the period**

	December 2023 \$	June 2023 \$
Opening balance	-	-
Proceeds from borrowings	11,000,000	6,000,000
Insurance premium financing	493,170	-
Loan repayments	(2,281,968)	-
Accrued interest	586,934	74,601
Conversion to equity	-	(6,074,601)
Closing balance	9,798,136	-

NOTE 7 CONTRIBUTED CAPITAL

532,480,690 fully paid ordinary shares (June 2023: 461,647,356)	74,738,362	67,025,312
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Ordinary Shares

	Dec 2023 \$	June 2023 \$	Dec 2023 #	June 2023 #
At the beginning of the year	67,025,312	100	461,647,356	100
Share Split (1:1,000,000)	-	-	-	99,999,900
Loan conversions by Tembo Capital Holdings UK Limited	-	6,074,601	-	75,805,854
TNC Mining capital raise – February 2023	-	10,000,000	-	71,428,574
Reversal of shares on TNC acquisition	-	-	-	(247,234,428)
TNC shares on issue upon acquisition of TNC Mining	-	-	-	46,453,099
Shares issued to vendors of TNC Mining on acquisition	-	11,928,128	-	247,234,428
Shares issued - public and priority offer	-	37,347,100	-	149,388,400
Shares issued – CopperCorp transaction	-	4,000,000	-	16,000,000
Shares issued – placement ¹	8,500,000	360,000	70,833,334	2,571,429
Share issue costs	(786,950)	(2,684,617)	-	-
At reporting date	74,738,362	67,025,312	532,480,690	461,647,356

Notes

1. Placement of shares to sophisticated investors:

- 69,247,103 shares issued on 24 November 2023 at \$0.12 per share.
- 1,586,231 shares issued on 22 December 2023 at \$0.12 per share.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares do not have a par value.

Issued and paid-up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

NOTE 7 CONTRIBUTED CAPITAL (continued)**Options**

Details of options issued, exercised and expired during the financial period, and as at 31 December 2023 are set out below:

Tranche #	Grant Date	Expiry Date	Exercise Price	1 July 2023	Issued	Exercised	Lapsed	31 December 2023
1	28-May-19	10-Nov-27	\$0.57	550,812	-	-	-	550,812
2	28-May-19	10-Nov-22	\$0.50	1,963,996	-	-	-	1,963,996
3	6-Jun-23	19-Jun-25	\$0.28	2,469,746	-	-	-	2,469,746
4	16-Jun-23	16-Jun-28	\$0.30	4,665,000	-	-	-	4,665,000
5	16-Jun-23	16-Jun-28	\$0.30	1,059,000	-	-	-	1,059,000
6	16-Jun-23	16-Jun-28	\$0.30	566,000	-	-	-	566,000
7	16-Jun-23	16-Jun-28	\$0.30	6,975,000	-	-	-	6,975,000
8	16-Jun-23	16-Jun-28	\$0.30	1,335,000	-	-	-	1,335,000
9	16-Jun-23	16-Jun-28	\$0.30	890,000	-	-	-	890,000
10	22-Dec-23	22-Dec-28	\$0.30	-	850,000	-	-	850,000
11	22-Dec-23	22-Dec-28	\$0.30	-	210,000	-	-	210,000
12	22-Dec-23	22-Dec-28	\$0.30	-	140,000	-	-	140,000
				20,474,554	1,200,000	-	-	21,674,554

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

Option Conditions**Fair value of options granted**

The assessed fair value at the date of grant of option issued is determined using an option pricing model that considers the exercise price, the underlying share price at the time of issue, the term of the option, the underlying share's expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument.

Tranches 10, 11 and 12 performance options were issued to directors Ian McAleese and Jane Seawright under the Employee Incentive Securities Plan. The options conditions are as follows:

	Tranche 10	Tranche 11	Tranche 12
Grant date	22 December 2023	22 December 2023	22 December 2023
Exercise price	\$0.30	\$0.30	\$0.30
Vesting condition	6 months of continuous production at the Great Australia Mine and ongoing service up until that date	VWAP increase of 100% for 10 consecutive trading days and ongoing service up until that date	VWAP increase of 200% for 10 consecutive trading days and ongoing service up until that date
Expiry date	22 December 2028	22 December 2028	22 December 2028
Life of the instruments	5 years	5 years	5 years

NOTE 8 RELATED PARTY TRANSACTIONS**Transactions with related parties**

Tennant Consolidated Mining Group – Martin Costello is a director.

During the December 2023 half year, the company entered into vehicle rental agreement with Tennant Consolidated Mining Group (TCMG). Additionally, TCMG also seconded its geologist and a geochemist to TNC Mining Pty Ltd until Aug 2023. The total value of these services amounted to \$79,323. As of December 31, 2023, an outstanding balance of \$20,382 remained unpaid.

Bronco Dino Pty ATF Bronco Dino No 3 Trust – Martin Costello is a trustee.

During the December 2023 half year Bronco Dino Pty ATF Bronco Dino No 3 Trust provided website, communication and marketing services totalling \$83,811 (June 2023: \$89,100). As of December 31, 2023, there were no outstanding payments (compared to \$22,000 in June 2023). Notably, the services provided by Bronco Dino were terminated in November 2023.

Blanckensee Consulting Pty Ltd- Paul Frederiks is a director.

The company previously established a services contract with Blanckensee Consulting Pty Ltd for a duration of 24 months, starting from May 1, 2022, to provide secretarial services. In the December 2023 half-year, Blanckensee Consulting Pty Ltd rendered company secretarial services amounting to \$106,297 (compared to Nil in June 2023).

NOTE 9 COMMITMENTS**Contractual Commitments**

The Consolidated Entity has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

	December 2023 \$	June 2023 \$
<i>Exploration obligations to be undertaken</i>		
Payable within one year	334,003	668,006
Payable between one year and five years	189,757	779,470
Payable after five years	589,713	-
	1,113,473	1,447,476
<i>Capital expenditure commitments</i>		
Payable within one year	2,570,000	2,570,000
Payable between one year and five years	-	-
Payable after five years	-	-
	2,570,000-	2,570,000

NOTE 10 CONTINGENT LIABILITIES

As part of the CopperCorp acquisition, an additional \$2,000,000 consideration will become payable if, within 40 business days, TNC establishes an Indicated Resource under the JORC Code on the CopperCorp tenements—specifically, an amount equal to or greater than 20,000 tonnes of copper equivalent metal at a copper grade of 1% per tonne or greater.

Furthermore, to meet statutory requirements for financial assurances related to the Cloncurry tenements, TNCM provided bank guarantees totalling \$13,468,875 and these comprised of:

- \$10,924,199 in relation to Environmental Authority No. EPML00876013.
- \$1,899,077 in relation to Environmental Authority No. EPML00941713
- \$645,600 in relation to Environmental Authority No. EPLM00497413

To secure these bank guarantees, TNCM entered into a financial facility arrangement with Dyda Property Management Pty Ltd. Dyda Property Management successfully procured three bank guarantees for the specified amounts. These guarantees were then provided by Westpac Banking Corporation to Queensland Treasury, as stipulated in the agreement with TNCM. The fee paid to Dyda Property Management Pty Ltd during this period for procuring the bank guarantees amounted to \$1,125,428.

NOTE 11 EVENTS AFTER BALANCE DATE

On 16th January 2024, the Company issued 54,166,667 shares to its major shareholder, Tembo Capital Holdings UK, at \$0.12 per share. 36,286,100 shares issued as settlement to the short-term loan provided by Tembo Capital Holdings UK (refer Note 6). The remaining 17,800,567 shares were issued in exchange for cash.

On 18th January 2024, the Company received \$2.15M in equity from Tembo Capital Mining Fund III. On the same day it advised that the short-term working loan from Tembo capital in July 2023 for \$4M along with interest were converted into equity ahead of its maturity date 21st Jan 2024.

On 23rd January 2024 the Company announced it has signed binding offtake and toll-milling agreements with one of the world's largest natural resource companies, Glencore International AG (Glencore) for its Cloncurry Copper Project (CCP) in Queensland. The highlights of the agreement are:

- Binding offtake agreement with Glencore for 100% of copper concentrate from TNC's CCP.
- Toll-milling services, up to 1 million tonnes of ore per year for the CCP's Life of Mine (LoM)

The Key Benefits to the company include:

- Concentrate processed at the nearby Mt Isa Smelter (approx. 120km by major arterial road network), providing greater freight certainty and economic and logistics value.
- TNC will be entitled to claim 20% Queensland State Royalty discount for all material processed through the Mt Isa Smelter.
- Provides certainty of concentrate sales for the CCP.

On 31st January 2024, the Company announced that it had executed binding agreements with Nebari Natural Resources Fund for a four-year USD\$28 million (A\$42 million AUD equivalent) USD denominated senior secured loan facility.

In connection with the Loan Facility, the Company agreed to issue to Nebari (or its nominee/s):

- 46,383,038 warrants exercisable at A\$0.1177 (Tranche 1 Warrants); and
- subject to TNC shareholder approval, additional warrants to be issued on first drawdown for the Tranche 2 loan amount (Tranche 2 Warrants).

The Warrants will have a 48-month exercise period and, on exercise, will convert into TNC shares on a 1 for 1 basis.

NOTE 11 EVENTS AFTER BALANCE DATE (continued)

The company subsequently announced it had met all Tranche 1 conditions precedent of the senior secured loan facility (Loan Facility) with Nebari Natural Resources Credit Fund II LP. Consequently, the first drawdown (Tranche-1) of USD18 million was made on Friday, 9 February 2024.

The Key details of the Tranche 1 funding include:

- As a part of the Tranche 1 facility the following will be replaced and repaid:
 - Cloncurry Rehabilitation Bond: approximately A\$13.47 million to be held on term deposit paying approximately 5% per annum interest, with bank guarantees to be issued to satisfy the Company's obligations with respect to rehabilitation bonding requirements; and
 - Dyda Property Management short-term working capital loan: approximately A\$5.32 million repaid in full.

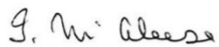
DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read "I. McAleese".

Ian McAleese

Chairman

14 March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of True North Copper Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed 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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO



R J Liddell

Director

Brisbane, 14 March 2024

TRUE NORTH COPPER LIMITED CORPORATE INFORMATION

Board of Directors

Ian McAleese	Non-Executive Director/ Chairman
Martin Costello	Managing Director
Tim Dudley	Non-Executive Director
Paul Frederiks	Non-Executive Director
Jane Seawright	Non-Executive Director

Company Secretary

Paul Frederiks

Registered & Principal Office

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Share Registry

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone (within Australia): 1300 288 664
Telephone (outside Australia): +61 2 9698 5414
Email : hello@automicgroup.com.au
Website: investor.automic.com.au

Auditors

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
Phone: + 61 7 3237 5999

Country of Incorporation

Australia

Website

www.truenorthcopper.com.au

Stock Exchange Listing

True North Copper Limited shares are listed on the Australian Securities Exchange under ticker code TNC