# CopperCorp Pty Ltd

**ABN 11 649 946 305**

**Financial Report**
**For the Period from 5 May 2021 (Date of Incorporation) to 30 June 2022**

The Directors present their report, together with the financial statements, on the Consolidated entity ("the Group") consisting of CopperCorp Pty Ltd ("the Company") and the companies it controlled for the financial period from 5 May 2021 (date of incorporation) to 30 June 2022.

CopperCorp Pty Ltd was incorporated on 5 May 2021 and consequently, the current period figures represent the 14 month period through to 30 June 2022.

**Directors**
The following persons were Directors of CopperCorp Pty Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Art Daniel Malone (appointed 5 May 2021)
Thomas Frederick John Northcott (appointed 5 May 2021, resigned 11 March 2022)

**Company Secretaries**
The following persons acted as Company Secretaries of CopperCorp Pty Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Art Daniel Malone (appointed 5 May 2021)
Karl Mathew Schlobohm (appointed 17 November 2021)

**Principal activities**
During the financial period the principal continuing activities of the Group consisted of preliminary exploration work and assessment and maintenance of historical mining assets.

**Dividends**
There were no dividends paid, recommended or declared during the current financial period.

**Review of operations**
The loss for the Group after providing for income tax amounted to $162,784.

**Significant changes in the state of affairs**
There were no significant changes in the state of affairs of the Group during the financial period.

**Matters subsequent to the end of the financial period**
During the period from 17 August 2022 to 1 December 2022, the Group undertook an internal restructuring exercise to transfer the assets of Mt Norma Mining Company Pty Ltd and Flamingo Copper Mines Pty Ltd to North West Copper Pty Ltd, a new wholly-owned subsidiary of CopperCorp Pty Ltd. Mt Norma Mining Company Pty Ltd and Flamingo Copper Mines Pty Ltd are in the process of being deregistered.

On 22 September 2022, the Company (together with its shareholders) executed a Share Sale Agreement with True North Copper Pty Ltd, pursuant to which True North Copper is to become the 100% owner of the Group. As at the date of this report, the settlement of this transaction remains to be completed.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Likely developments and expected results of operations**
Likely developments in the operations of the Group that were not finalised at the date of this report included the settlement of the agreement with True North Copper Pty Ltd.

**Environmental regulation**
Other than as part of the standard conditions attaching to its Exploration and Mining Licences, the Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Climate change risk

The Group does not consider that it currently has any adverse material exposure to the risks associated with Climate Change. Accordingly, the Group does not consider it necessary to reflect any financial impact associated with Climate Change risks. The Group considers the following matters relevant to this conclusion:

- the Group's primary business is focussed on copper, which is a commodity that will remain in demand even as society shifts towards different energy generation technologies and fuels;
- the Group currently has limited and non-operational physical assets, and is therefore not expecting to be significantly impacted by the physical risks generally associated with Climate Change (fire, flood, etc);
- the Group is not currently aware of any pending or proposed Climate Change related regulatory or legislative changes which would materially impact the Group at this time.

## Information on Current Director

| | |
|---|---|
| Name: | Art Daniel Malone |
| Title: | Director and Joint Company Secretary |
| Experience and expertise: | Mr Malone is an energy and resource executive, with a background in engineering compliance and management. Mr Malone has over 15 years in the resource sector, managing large scale projects for both private and listed companies, and is currently the Managing Director of Peak Helium and CopperCorp. |

Mr Malone is currently completing a Masters of Engineering Management, Business Administration and Management through the Southern Cross University.

Mr Malone currently holds directorships in the following companies:

- Critical Minerals Group Ltd (ASX listed)
- Peak Helium Pty Ltd
- Graphinex Pty Ltd
- Core Uranium Pty Ltd
- OilR Pty Ltd

## Joint Company Secretary

Karl Schlobohm (B.Comm, B.Econ, M.Tax, CA, FGIA) was appointed Company Secretary on 17 November 2021. Mr Schlobohm is a Chartered Accountant with over 30 years' experience across a wide range of industries and businesses. He has extensive experience with financial accounting, corporate governance, company secretarial duties and board reporting.

## Shares under option

There were no unissued ordinary shares of the Company (or any other member of the Group) under option outstanding at the date of this report.

## Shares issued on the exercise of options

There were no ordinary shares of the Company (or any other member of the Group) issued on the exercise of options during the period ended 30 June 2022 and up to the date of this report.

## Indemnity and insurance of auditor

The Group has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial period, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

## Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which any member of the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

**CopperCorp Pty Ltd**
**Directors' report**
**30 June 2022**

**Auditor's independence declaration**
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of the Sole Director Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Executed by the Sole Director

Art Malone – Sole Director

23 January 2023

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23 January 2023

Board of Directors
CopperCorp Pty Ltd
Suite 2, Level 6
12 Creek Street
Brisbane QLD 4000

Dear Directors

**RE: COPPERCORP PTY LTD**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of CopperCorp Pty Ltd.

As Audit Director for the audit of the financial statements of CopperCorp Pty Ltd for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(An Authorised Audit Company)**

**Samir Tirodkar**
**Director**

## General information

The financial statements cover the Consolidated entity ("the Group") consisting of CopperCorp Pty Ltd ("the Company") and the companies it controlled during or at the end of the period ended 30 June 2022. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

CopperCorp Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, Level 6
12 Creek Street
Brisbane QLD 4000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of the Sole Director, on 23 January 2023. The Director has the power to amend and reissue the financial statements.

**CopperCorp Pty Ltd**
**Consolidated statement of profit or loss and other comprehensive income**
**For the 14 month period ended 30 June 2022**

| | Note | 14 months to 30 June 2022 $ |
|---|---|---|
| **Income** | | |
| Other income | | 142,695 |
| Interest income | | 1,720 |
| **Total income** | | **144,415** |
| | | |
| **Expenses** | | |
| Consulting, accounting, corporate advisory, capital raising | | (123,898) |
| Managerial costs | | (104,500) |
| Other expenses | | (78,801) |
| **Total expenses** | | **(307,199)** |
| | | |
| **Loss before income tax expense** | | **(162,784)** |
| | | |
| Income tax expense | 3 | - |
| | | |
| **Loss after income tax expense for the period attributable to the owners of CopperCorp Pty Ltd** | | **(162,784)** |
| | | |
| Other comprehensive income for the period, net of tax | | - |
| | | |
| **Total comprehensive loss for the period attributable to the owners of CopperCorp Pty Ltd** | | **(162,784)** |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**CopperCorp Pty Ltd**
**Consolidated statement of financial position**
**As at 30 June 2022**

| | Note | 30 June 2022 $ |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 4 | 812,723 |
| Prepayments | | 2,908 |
| **Total current assets** | | **815,631** |
| **Non-current assets** | | |
| Exploration and evaluation | 5 | 96,856 |
| Mining assets | 6 | 1,411,051 |
| Security deposits | | 67,263 |
| **Total non-current assets** | | **1,575,170** |
| **Total assets** | | **2,390,801** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade creditors and accruals | 7 | 139,825 |
| **Total current liabilities** | | **139,825** |
| **Non-current liabilities** | | |
| Rehabilitation provision | 8 | 653,100 |
| **Total non-current liabilities** | | **653,100** |
| **Total liabilities** | | **792,925** |
| **Net assets** | | **1,597,876** |
| **Equity** | | |
| Issued capital | 10 | 1,760,660 |
| Accumulated losses | | (162,784) |
| **Total equity** | | **1,597,876** |

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**CopperCorp Pty Ltd**
**Consolidated statement of changes in equity**
**For the 14 month period ended 30 June 2022**

| | Issued capital $ | Accumulated losses $ | Total equity / Net assets $ |
|---|---|---|---|
| Balance at 5 May 2021 on incorporation | 200 | - | **200** |
| Loss after income tax expense for the period | - | (162,784) | **(162,784)** |
| Other comprehensive income for the period, net of tax | - | - | **-** |
| Total comprehensive loss for the period | - | (162,784) | **(162,784)** |
| Contributions of equity by members | 1,760,460 | - | **1,760,460** |
| **Balance at 30 June 2022** | **1,760,660** | **(162,784)** | **1,597,876** |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**CopperCorp Pty Ltd**
**Consolidated statement of cash flows**
**For the 14 month period ended 30 June 2022**

| | Note | 14 months to 30 June 2022 $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Revenue and interest received | | 144,415 |
| Payments to suppliers and employees | | (170,282) |
| Net cash used in operating activities | 16 | (25,867) |
| **Cash flows from investing activities** | | |
| Payments for exploration, evaluation and mining assets | | (1,157,907) |
| Payments for security deposits | | (67,263) |
| Net cash used in investing activities | | (1,225,170) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | 10 | 1,410,660 |
| Deposit for rehabilitation provision | | 653,100 |
| Net cash provided by financing activities | | 2,063,760 |
| Net increase in cash and cash equivalents | | 812,723 |
| Cash and cash equivalents at the date of incorporation | | - |
| Cash and cash equivalents at the end of the financial period | 4 | **812,723** |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

**New or amended Accounting Standards and Interpretations adopted**
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**
For the 14 month period ended 30 June 2022, the Group incurred a loss of $162,784 after income tax and net cash outflows from operating activities of $25,867. At 30 June 2022, the Group had a working capital surplus of $675,806.

As the Group had not commenced production at any of its mines during the period, its ability to continue as a going concern is principally dependent upon raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to continue to progress the exploration properties and maintain the mining assets in which it has an interest, and to meet the Group's working capital requirements.

The Directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- The Company has the strong support of its Directors and shareholders as evidenced by the raising of $1,760,660 in equity during the period, including $1,470,660 in cash.
- Other forms of capital may also be available to the Group from commercial contractual arrangements and/or farm-in arrangements.
- On 22 September 2022 a Share Sale Agreement was executed between the Company and True North Copper Pty Ltd, pursuant to which True North Copper Pty Ltd will become the 100% owner of the Group.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the Group will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

**Basis of preparation**
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*
Except for financial instruments, the financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**Note 1. Significant accounting policies (continued)**

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Comparatives**
The Company was incorporated on 5 May 2021. Accordingly, this is the first financial year in which the Company has operated and for which annual financial statements have been prepared. Therefore, there are no comparative financial statements.

**Impairment of non-financial assets**
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Financial instruments**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Group statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and consolidated statement of profit or loss when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial instruments are generally measured at initial recognition at fair value and adjusted for transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was issued and its characteristics. All purchases and/or sales of financial assets are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial asset. Unless otherwise indicated the carrying amounts of the Group’s financial assets approximate to their fair values.

**Provisions**
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Goods and Services Tax ('GST') and other similar taxes**
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

## Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the financial period from 5 May 2021 (date of incorporation) to 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*(1) Exploration & evaluation assets*
The Group will perform regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The Directors have assessed that for the exploration and evaluation assets recognised at 30 June 2022, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for impairment as noted in Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

*(2) Rehabilitation provision*
Significant estimates and judgements are made in determining the provision for rehabilitation, as there are numerous factors that will affect the ultimate costs incurred. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory, changes, etc. Management uses its judgement and experience to provide for these estimated costs at the higher of the estimated costs or the security for rehabilitation costs provided to the Government authorities.

## Note 3. Income tax

| | 14 months to 30 June 2022 $ |
|---|---|
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | |
| Loss before income tax expense | (162,784) |
| Tax at the statutory tax rate of 25% | (40,696) |
| Tax effect of tax-deductible items | (8,454) |
| | (49,150) |
| Tax effect of current period tax losses not recognised | 49,150 |
| Income tax expense | - |

## Note 3. Income tax (continued)

| | 30 June 2022 $ |
|---|---|
| *Tax losses not recognised* | |
| Unused tax losses for which no deferred tax asset has been recognised | 196,600 |
| Potential tax benefit @ 25% | 49,150 |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

*Accounting policy for income tax*
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## Note 4. Cash and cash equivalents

| | 30 June 2022 $ |
|---|---|
| *Current assets* | |
| Cash on hand | 400 |
| Cash at bank | 166,723 |
| Term deposits | 645,600 |
| | **812,723** |

*Accounting policy for cash and cash equivalents*
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Note 5. Exploration and evaluation

| | 30 June 2022 $ |
|---|---|
| *Non-current assets* | |
| Exploration and evaluation - at cost | **96,856** |

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

| | **Exploration and evaluation** $ |
|---|---|
| Balance at 5 May 2021 (date of incorporation) | - |
| Additions | 96,856 |
| Balance at 30 June 2022 | **96,856** |

*Accounting policy for exploration and evaluation assets*
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 do 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.

A regular review will be undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of exploration and drilling results performed to reporting date.

## Note 6. Mining assets

| | 30 June 2022<br>$ |
|---|---|
| *Non-current assets* | |
| Mining assets - at cost | **1,411,051** |

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

| | Mining assets<br>$ |
|---|---|
| Balance at 5 May 2021 (date of incorporation) | - |
| Additions (1) | 1,411,051 |
| Balance at 30 June 2022 | **1,411,051** |

(1) Included in the total additions was the acquisition cost of MNMC and FCM of $997,223 as disclosed in note 17 to the consolidated financial statements.

*Accounting policy for mining assets*
Mining assets capitalised represent the costs relating to mining leases and mining-related assets not presently in production. These costs are capitalised to the extent they are expected to be recouped through the successful future exploitation of the related mining leases.

Once in production, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the mine inventory to which they relate or are written off if the mine property is abandoned.

A regular review will be undertaken on each mining asset as relevant to determine the appropriateness of continuing to carry forward costs in this area ahead of their transfer to property, plant and equipment and mine properties. A provision is raised against the asset where the Directors are of the opinion that the carried forward net cost may not be recoverable from the future exploitation of the asset or area.

## Note 7. Trade and other payables

| | 30 June 2022<br>$ |
|---|---|
| *Current liabilities* | |
| Trade payables | 95,625 |
| Accrued expenses | 44,200 |
| | **139,825** |

*Accounting policy for trade and other payables*
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 8. Rehabilitation provision

| | 30 June 2022<br>$ |
|---|---|
| *Non-current liabilities* | |
| Rehabilitation provision | **653,100** |

Rehabilitation provisioning was provided for eight (8) Mining Leases held by the Group. The provisioning is secured by deposit / bond held with Department totalling $653,100.

## Note 9. Commitments and contingencies

| | 30 June 2022<br>$ |
|---|---|
| *Future exploration commitments* | |
| Committed at the reporting date but not recognised as liabilities, payable: | |
| Within one year | 185,750 |
| One to five years | 276,250 |
| | 462,000 |

The Company has certain obligations to expend minimum amounts on exploration areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company. The Company has the option of relinquishing any tenements in relation to which it does not intend to meet it exploration commitments.

## Note 10. Issued capital

| | 30 June 2022<br>Shares | 30 June 2022<br>$ |
|---|---|---|
| Ordinary shares - fully paid | 87,804,873 | 1,760,660 |

*Movement in share capital*

| *Date* | *Shares* | *Price* | *$* |
|---|---|---|---|
| 5 May 2021 | 20,000 | $0.01 | 200 |
| 25 May 2021 | 59,980,000 | $0.00001 | 600 |
| 27 June 2021 | 14,394,137 | $0.058 | 834,860 |
| 30 September 2021 | 2,155,173 | $0.058 | 125,000 |
| 15 November 2021 | 2,490,153 | $0.0589 | 146,670 |
| 25 November 2021 | 5,149,915 | $0.0589 | 303,330 |
| 29 November 2021 (Note 17) | 3,615,495 | $0.0968 | 350,000 |
| **Total** | **87,804,873** | | **1,760,660** |

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

## Note 10. Issued capital (continued)

*Movement in share capital*

There are no externally imposed capital requirements.

The Group monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital of the company (current assets less current liabilities) at 30 June 2022 was a net surplus of $675,806.

*Accounting policy for issued capital*
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Note 11. Dividends

There were no dividends paid, recommended or declared during the current financial period.

## Note 12. Financial instruments

***Financial risk management objectives***
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's financial instruments consist mainly of deposits with banks, receivables and payables.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

***Market risk***
Foreign currency risk
The Group is not exposed to any significant foreign currency risk.

*Price risk*
The Group is not exposed to any significant price risk.

*Interest rate risk*
The Group's interest rate risk arises principally from cash and cash equivalents, and from borrowings. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters while optimising the return. The Group does not have any significant exposure to interest rate risk.

***Credit risk***
Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to a member of the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is reviewed regularly by the Board. It arises from exposure to receivables as well as through deposits with financial institutions.

The Group's credit risk arises from cash and cash equivalents with banks and financial institutions, and from outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The Group had no outstanding receivables at 30 June 2022.

## Note 12. Financial instruments (continued)

***Liquidity risk***
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

*Remaining contractual maturities*
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| 2022 | 1 year or less $ | Between 1 and 2 years $ | Between 2 and 5 years $ | Over 5 years $ | Remaining contractual maturities $ |
|---|---|---|---|---|---|
| **Non-derivatives** | | | | | |
| *Non-interest bearing* | | | | | |
| Trade and other payables | 139,825 | - | - | - | 139,825 |
| Total non-derivatives | **139,825** | - | - | - | **139,825** |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## Note 13. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by Stantons International Audit and Consulting Pty Ltd, the auditor of the Group:

| | **14 months to 30 June 2022 $** |
|---|---|
| *Audit services – Stantons International Audit and Consulting Pty Ltd* | |
| Audit of the financial statements | **22,000** |

## Note 14. Interests in subsidiaries

| *Company Name* | *Place of Business and Incorporation* | *Ownership Interest* **2022** |
|---|---|---|
| Mt Norma Mining Company Pty Ltd | Australia | 100% |
| Flamingo Copper Mines Pty Ltd | Australia | 100% |

## Note 15. Events after the reporting period

During the period from 17 August 2022 to 1 December 2022, the Group undertook an internal restructuring exercise for the transfer of the assets of Mt Norma Mining Company Pty Ltd and Flamingo Copper Mines Pty Ltd to North West Copper Pty Ltd, a new wholly-owned subsidiary of CopperCorp Pty Ltd. Mt Norma Mining Company Pty Ltd and Flamingo Copper Mines Pty Ltd are in the process of being deregistered.

On 22 September 2022, the Company (together with its shareholders) executed a Share Sale Agreement with True North Copper Pty Ltd, pursuant to which True North Copper is to become the 100% owner of the Group. As at the date of this report, the settlement of this transaction remains to be completed.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Note 16. Cash flow information

*Reconciliation of loss after income tax to net cash used in operating activities*

| | **14 months to 30 June 2022 $** |
|---|---|
| Loss after income tax expense for the period | (162,784) |
| Change in operating assets and liabilities: | |
| (Increase) in prepayments | (2,908) |
| Increase in trade and other payables | 139,825 |
| Net cash used in operating activities | **(25,867)** |

## Note 17. Asset acquisition

On 25 June 2021, the Company entered into a Sale and Purchase Agreement with Queensland Mining Corporation Pty Ltd and Young Australian Mines Ltd to acquire the shares of Mount Norma Mining Company Pty Ltd (MNMC) and Flamingo Copper Mines Pty Ltd (FCM). The total purchase price consisted of: (a) An initial purchase price of $647,223, to be paid by cash; and (b) deferred consideration of $350,000 to be settled through the issuance of shares.

Through the acquisition of MNMC and FCM, the Company is now the owner of all the tenements owned by MNMC & FCM (“mining assets”).

On 29 November 2021, the Company issued 3,615,495 fully paid ordinary shares at an issue price of $0.0968 to Young Australian Mines Ltd to settle the deferred consideration in accordance with the Sale and Purchase Agreement.

**CopperCorp Pty Ltd**
**Directors' declaration**
**30 June 2022**

In the Director's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the 14 month financial period ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Sole Director made pursuant to section 295(5)(a) of the Corporations Act 2001.

Art Malone – Sole Director

23 January 2023

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**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF**
**COPPERCORP PTY LTD**

## Report on the Audit of the Financial Report

### *Opinion*

We have audited the financial report of CopperCorp Pty Ltd ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 financial period from 5 May 2021 (date of incorporation) to 30 June 2022, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Relating to Going Concern

As referred to in Note 1 to the financial statements, the consolidated financial statements have been prepared on a going concern basis. At 30 June 2022, the Group had cash and cash equivalents of $812,723. For the financial period 5 May 2021 (date of incorporation) to 30 June 2022, the Group incurred a loss after income tax of $162,784 and a net cash outflow from operating activities of $25,867.

The ability of the Group to continue as a going concern and meet its planned commitment is dependent upon the Group being successful in raising funds through the issue of share capital and the successful completion of the Share Sale Agreement executed between CopperCorp Pty Ltd and True North Copper Pty Ltd, pursuant to which True North Copper Pty Ltd will become the 100% owner of the Group. In the event that the Group is not successful in raising further capital or if the Sale Share Agreement with True North Copper Pty Ltd is terminated, the Group maybe not be able to meet its liabilities as and when they fall due, and the realisable value of the Group's current and non-current assets may be significantly less than book values.

The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly, we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Financial Report***

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**
**(An Authorised Audit Company)**

Stantons International Audit and Consulting Pty Ltd

**Samir Tirodkar**
Director
West Perth, Western Australia
23 January 2023