



Market Announcement

30 January 2024

Attached for the information of the market are ASX's query letter dated 24 January 2024 to True North Copper Limited ('TNC') and TNC's response dated 30 January 2024, respectively.

ASX's enquiries are ongoing.

Issued by

ASX Compliance



30 January 2024

ASX Compliance

By email: listingscompliancesydney@asx.com.au

Dear Sir/Madam

RE: ASX Query email dated 24 January 2024

We refer to your follow up email of 24 January 2024 regarding an Aware Query and respond as follows listing ASX questions and the Company's response.

Defined terms used in your query letter and the Aware Query have the same meanings where used in this response.

1. Is it TNC's understanding that, at all relevant times during November and December 2023, relevant senior management on site at the SX Copper Plant or the broader Cloncurry Project, would have been aware:

- 1.1. Of the daily or ongoing copper processing and production at the SX Copper Plant.

Yes, relevant management on site at the SX Copper Plant and the broader Cloncurry Project would have been broadly aware at all relevant times during November and December 2023 of the daily copper processing and production at the SX Copper Plant.

During that period, senior executive management and the Company's Board were provided with weekly (not daily) updates on the broader Cloncurry Project, including production at the SX Copper Plant.

- 1.2. That the total production of copper achieved on or around 24 November 2023 would be around 51.69t (being the total production in the months of October and November 2023).

No, relevant management on site at the SX Copper Plant and the broader Cloncurry Project were not aware at all times during November 2023 that total copper production achieved on or around 24 November 2023 would be around 51.69t. This information did not become known until relevant production data was compiled and collated into a weekly update report provided to the Company's senior executive management and Board on 23 November 2023 containing production data for the SX Copper Plant up until that date.



- 1.3. That production leading up to 24 November 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.

No, relevant management on site at the SX Copper Plant and the broader Cloncurry Project were not aware at all times during November 2023 that production leading up to 24 November 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.

This question seems to be premised on the idea that the production forecast translated to a linear average production. This was not the case, the Company's senior executive management and Board always expected that that production would ramp up over the December quarter with increased production in December 2023 compared to earlier months in that quarter.

Accordingly, as at 24 November 2023, the Company's senior executive management and Board considered that production leading up to 24 November 2023 was in line with TNC's forecast of 160t to 300t in the December 2023 quarter.

- 1.4. That the total production of copper achieved on or around 22 December 2023 would be around 70.47t (being the total production in the months of October, November and December 2023).

No, relevant management on site at the SX Copper Plant and the broader Cloncurry Project were not aware at all times during November and December 2023 that total copper production achieved on or around 22 December 2023 would be around 70.47t. As noted in the Company's Response, this information did not become known until relevant production data was compiled and collated into a weekly update report provided to the Company's senior executive management and Board in the week of 8 January 2024 containing production data for the SX Copper Plant up until 18 December 2023.

The last weekly update provided prior to 22 December 2023 (and prior to the Christmas/New Year holiday break) was provided on 19 December, 2023 including production data up to 18 December 2023.

- 1.5. That production leading up to 22 December 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.

No, relevant management on site at the SX Copper Plant and the broader Cloncurry Project were not aware at all times during November and December 2023 that production leading up to 22 December 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.



As for question 1.3, this question seems to be premised on the idea that the production forecast translated to a linear average production. This was not the case, the Company's senior executive management and Board always expected that that production would ramp up over the December quarter with increased production in December 2023 compared to earlier months in that quarter.

As at 22 December 2023, the Company's senior executive management and Board considered that production leading up to that date was materially in line with TNC's forecast of 160t to 300t in the December 2023 quarter, with any delay in achieving the production forecast resulting from the multiple minor equipment and power issues outlined in the Announcement only likely to result in a non-material divergence from the production forecast (non-material for the reasons outlined in the Response and the response to questions 6.1 and 6.3 below).

2. Was information about TNC's production leading up to 24 November 2023 reported and escalated to TNC's board (paragraph F)? If not, please provide the basis for this view.

Yes, as noted in the response to questions 1.1 and 1.3 above, the Company's senior executive management and Board received weekly updates on the broader Cloncurry Project, including production at the SX Copper Plant, with the last report prior to 24 November 2023 being provided on 23 November 2023 including production data up to that date.

3. Was information about TNC's production leading up to 22 December 2023 reported and escalated to TNC's board (paragraph F)? If not, please provide the basis for this view.

Yes, as noted in the response to questions 1.1 and 1.4 above, the Company's senior executive management and Board TNC's board received weekly updates on the broader Cloncurry Project, including production at the SX Copper Plant, with the last report prior to 22 December 2023 being provided on 19 December 2023 including production data up to 18 December 2023.

4. Were copper production reports, including the monthly production reports disclosed in TNC's Response to Question 5 of the Query Letter, reported or otherwise made available to the board of TNC? If so, please:

- 4.1. Detail the production and other operational reports made to TNC's board; and

TNC's senior executive management and Board receive weekly and monthly reports on the broader Cloncurry Project, including production at the SX Copper Plant.

Monthly reports are typically delivered within 10 business days of the end of the relevant month.



Weekly reports are typically delivered within 3 business days of the end of the relevant week, with every 4th or so weekly report consolidated into the monthly report.

- 4.2. Detail how TNC's board was keeping updated with production and operations at the SX Copper?

In addition to the reports referred to in the response to question 4.1, the Company's senior executive management team provides update presentations to the Company's Board at Board meetings. During the relevant period, the Board met on 29 November 2023 and 11 December, 2023.

5. ASX observes that at the end of November 2023, TNC's actual copper production was 51.69t, or 108.31t below the low end of TNC's production estimate of 160t to 300t in the December 2023 quarter. ASX further observes that on 24 November 2023 TNC disclosed that it expects to achieve this production estimate and that the *"failure of the Company to achieve this production estimate could have a material adverse effect..."* (paragraph C of the Query Letter). Please provide:

- 5.1. Details of the grounds or basis for TNC's disclosure on 24 November 2023 that it would achieve the 160t to 300t production estimate in the December 2023 quarter.

As previously advised in the Response, with reference to 24 November 2023 (paragraph C), there was no material or catastrophic failure event at the operations and TNC had no indication that total production for the quarter would be hampered by multiple minor equipment and power issues.

In addition, TNC expected production to significantly increase during December 2023 as per external metallurgical advice received regarding production. The main operational changes were increased process volumes within the circuit as well as the addition of Heap 5 which was to be brought online in December.

- 5.2. Details of the enquiries TNC's board made to satisfy itself that TNC would be able to meet the 160t to 300t production estimate in the December 2023 quarter on and in the period immediately leading up to 24 November 2023.

As previously advised in the Response, TNC has complemented its own processing team with independent external metallurgical consultants to assist with the operation of SX Copper Plant. The production forecast developed by the independent external consultants, was specifically tailored to the prior metallurgical testing of the ore as well as SX Copper Plant itself.

The Company's Board relied on advice received from its processing team which reflected the previous independent metallurgical advice of a substantial increase in copper production due to the operational factors outlined in the Response.



6. ASX observes that at the end of December 2023, TNC's actual copper production was 70.47t, or 89.53t below the low end of TNC's production estimate of 160t to 300t in the December 2023 quarter. ASX further observes that on 22 December 2023 TNC disclosed that it expects to achieve this production estimate and that the "[f]ailure of the Company to achieve this production estimate could have a material adverse effect..." (paragraph D of the Query Letter). Please provide:

6.1. Details of the grounds or basis for TNC's disclosure on 22 December 2023 that it would achieve the 160t to 300t production estimate in the December 2023 quarter.

With respect to disclosure made on the 22 December 2023 (paragraph D). Heap 5 came online on 21 December 2023. The addition of Heap 5 and as well as Heap 6 significantly increased the amount of soluble copper within the process circuit (reference ASX announcement dated 15 January 2024 - Copper levels Heap 6- 0.66g/L Heap 5- 1.21g/L).

As at 22 December 2023, the Company's senior executive management and Board considered that production leading up to that date was materially in line with TNC's forecast of 160t to 300t in the December 2023 quarter, on the basis that:

- production was expected to significantly increase with the addition of Heap 5 and Heap 6; and
- any delay in achieving the production forecast resulting from the multiple minor equipment and power issues outlined in the Announcement was only likely to result in a non-material divergence from the production forecast.

The Company's senior executive management and Board considered at 22 December 2023 (and still consider) that the delay in achieving the production forecast is non-material for the following reasons:

- the Company expects to recover the production gap during this quarter;
- as noted in the Response, copper sulphate production from existing stockpiled ore at Mt Norma comprises a small portion of the Company's overall project profile and is ancillary to the Company's key assets, being the Cloncurry Copper Project and the Mt Oxide Project;
- the delay in receiving the relevant revenue from copper sulphate production is not expected to have any impact on the timing for delivery of the Company's other more material projects.

6.2. Details of the enquiries TNC's board made to satisfy itself that TNC would be able to meet the 160t to 300t production estimate in the December 2023 quarter on and in the period immediately leading up to 22 December 2023.



Please see the responses given to questions 4 and 5. In addition to weekly and monthly update reports and management briefings, the Company's Board relied on advice received from the Company's processing team which reflected the previous independent metallurgical advice of a substantial increase in copper production due to the operational factors outlined in the Response and above (including increased process volumes within the circuit and the addition of Heap 5 and Heap 6).

- 6.3. The basis for TNC's apparent view that Heap 5 coming online on 21 December 2023 would be sufficient to, in the last ten days of the year, make up for the large, approximately 89.53t, difference between TNC's copper metal production at the time and the low end of its production estimate.

Please refer to the response to question 6.1 above.

As at 22 December 2023, the Company's senior executive management and Board considered that production leading up to that date was materially in line with TNC's forecast of 160t to 300t in the December 2023 quarter, on the basis that:

- production was expected to significantly increase with the addition of Heap 5 and Heap 6; and
- any delay in achieving the production forecast resulting from the multiple minor equipment and power issues outlined in the Announcement was only likely to result in a non-material divergence from the production forecast.

The Company's senior executive management and Board considered at 22 December 2023 (and still consider) that the delay in achieving the production forecast is non-material for the following reasons:

- the Company expects to recover the production gap during this quarter as noted in the Response, copper sulphate production from existing stockpiled ore at Mt Norma comprises a small portion of the Company's overall project profile and is ancillary to the Company's key assets, being the Cloncurry Copper Project and the Mt Oxide Project;
- the delay in receiving the relevant revenue from copper sulphate production is not expected to have any impact on the timing for delivery of the Company's other more material projects.

7. Please confirm that TNC is complying with the Listing Rules and, in particular, Listing Rule 3.1.

TNC's is complying with the Listing Rules, including Listing Rule 3.1.

8. Please confirm that TNC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its



board or an officer of TNC with delegated authority from the board to respond to ASX on disclosure matters.

In accordance with TNC's continuous disclosure policy, TNC's response to the questions above have been authorised and approved by the Managing Director who has delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Marty Costello'.

Marty Costello
Managing Director



24 January 2024

Reference: 86881

Mr Paul Frederiks
Company Secretary
True North Copper Limited
Level 9
Citi Central Tower
46-48 Sheridan Street
Cairns City QLD AU

By email only.

Dear Mr Frederiks

True North Copper Limited ('TNC'): Aware Query Follow-Up

ASX refers to the following:

- A. TNC's Response dated 23 January 2024 (the 'Response') to ASX's Aware Query dated 18 January 2024 (the 'Query Letter'). All capitalised terms in this letter have the same meaning as the Query Letter unless otherwise stated.
- B. TNC's announcement titled "Q4 2023 SX Operations Update, Cloncurry", lodged on MAP on 15 January 2024 (the 'Announcement'), which disclosed that TNC "achieved copper metal production for Q4 2023 of 70.38t (288.612t of copper sulphate @ 24.39% Cu)" and that (emphasis added):

*"Q4 2023 production was less than operationally expected due to **several events during late November 2023 and throughout December 2023**. These included:*

- *A change in TNC's operational power supply source (Total Generators to Aggreko) resulting in unforeseen harmonics issues.*
- *Failure of the tank agitator in TK5.*
- *Reduction of crystal formation due to severe heat conditions including more than 23 days >40 degrees Celsius in December 2023 (see <http://www.bom.gov.au/places/qld/cloncurry/>), and a plant heat exchange failure"*

- C. TNC's share price on 15 January 2024, following the Announcement lodged prior to market open on 15 January 2024, which closed down 15.63% to 8.1 cents after hitting an intraday low of 8 cents.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Section 4.4 of Guidance Note 8 which states that:

"Under the Listing Rules, an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity...

The extension of an entity's awareness beyond the information its officers in fact know to information that its officers "ought reasonably have come into possession of" effectively deems an entity to be aware of information if it is known by anyone within the entity and it is of such significance that it ought reasonably to have been brought to the attention of an officer of the entity in the normal course of performing their duties as an officer...

In light of this extension, it is important that entities have in place appropriate reporting and escalation processes to ensure that information which is potentially market sensitive is promptly brought to the attention of its officers so that there are no gaps between the information they in fact know and the information they are deemed to know for the purposes of Listing Rule 3.1."

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

Request for information

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

1. Is it TNC's understanding that, at all relevant times during November and December 2023, relevant senior management on site at the SX Copper Plant or the broader Cloncurry Project, would have been aware:
 - 1.1 Of the daily or ongoing copper processing and production at the SX Copper Plant.
 - 1.2 That the total production of copper achieved on or around 24 November 2023 would be around 51.69t (being the total production in the months of October and November 2023).
 - 1.3 That production leading up to 24 November 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.
 - 1.4 That the total production of copper achieved on or around 22 December 2023 would be around 70.47t (being the total production in the months of October, November and December 2023).

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- 1.5 That production leading up to 22 December 2023 was not in line with TNC's forecast of 160t to 300t in the December 2023 quarter.
 2. Was information about TNC's production leading up to 24 November 2023 reported and escalated to TNC's board (paragraph F)? If not, please provide the basis for this view.
 3. Was information about TNC's production leading up to 22 December 2023 reported and escalated to TNC's board (paragraph F)? If not, please provide the basis for this view.
 4. Were copper production reports, including the monthly production reports disclosed in TNC's Response to Question 5 of the Query Letter, reported or otherwise made available to the board of TNC? If so, please:
 - 4.1 Detail the production and other operational reports made to TNC's board; and
 - 4.2 Detail how TNC's board was keeping updated with production and operations at the SX Copper Plant.
 5. ASX observes that at the end of November 2023, TNC's actual copper production was 51.69t, or 108.31t below the low end of TNC's production estimate of 160t to 300t in the December 2023 quarter. ASX further observes that on 24 November 2023 TNC disclosed that it expects to achieve this production estimate and that the *"[f]ailure of the Company to achieve this production estimate could have a material adverse effect..."* (paragraph C of the Query Letter). Please provide:
 - 5.1 Details of the grounds or basis for TNC's disclosure on 24 November 2023 that it would achieve the 160t to 300t production estimate in the December 2023 quarter.
 - 5.2 Details of the enquiries TNC's board made to satisfy itself that TNC would be able to meet the 160t to 300t production estimate in the December 2023 quarter on and in the period immediately leading up to 24 November 2023.
 6. ASX observes that at the end of December 2023, TNC's actual copper production was 70.47t, or 89.53t below the low end of TNC's production estimate of 160t to 300t in the December 2023 quarter. ASX further observes that on 22 December 2023 TNC disclosed that it expects to achieve this production estimate and that the *"[f]ailure of the Company to achieve this production estimate could have a material adverse effect..."* (paragraph D of the Query Letter). Please provide:
 - 6.1 Details of the grounds or basis for TNC's disclosure on 22 December 2023 that it would achieve the 160t to 300t production estimate in the December 2023 quarter.
 - 6.2 Details of the enquiries TNC's board made to satisfy itself that TNC would be able to meet the 160t to 300t production estimate in the December 2023 quarter on and in the period immediately leading up to 22 December 2023.
 - 6.3 The basis for TNC's apparent view that Heap 5 coming online on 21 December 2023 would be sufficient to, in the last ten days of the year, make up for the large, approximately 89.53t, difference between TNC's copper metal production at the time and the low end of its production estimate.
 7. Please confirm that TNC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 8. Please confirm that TNC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TNC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.00 AM AEDT Tuesday, 30 January 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, TNC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require TNC to request a trading halt immediately.

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

Trading Halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in TNC's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

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

Listing Rules 3.1 and 3.1A

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

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance