

ASX Announcement | ASX: TNC

31 July 2023

True North Copper commences QLD copper sulphate production under exclusive offtake agreement

True North Copper Limited (ASX:TNC) (True North, TNC or the Company) is pleased to announce it has commenced copper sulphate production at its Cloncurry Project in Queensland, Australia, with its refurbished solvent extraction and copper sulphate crystallisation plant now fully operational.

TNC has an exclusive offtake agreement with Kanins International for its copper sulphate production in Queensland.

SUMMARY

- Copper sulphate production restarts at TNC's facility strategically located Cloncurry Project (see Figures 1, 2 and 3 below).
- Initial production capacity is estimated at 12,000 tonnes of copper sulphate crystal per annum.
- Recognising growing demand from domestic and international markets, TNC has initiated plans to expand production.
- TNC has an exclusive offtake agreement with Kanins International Pty Limited (**Kanins**) (www.kanins.com), one of Australia's largest copper sulphate suppliers, for all copper sulphate it produces. See below for a summary of the material terms of the offtake agreement.
- Copper sulphate is used in industries including agriculture, mining, water treatment, and chemical manufacturing.

COMMENT

True North Copper's Managing Director Marty Costello said:

"We're thrilled to announce the successful commencement of our first copper sulphate production. This accomplishment is a testament to the dedication and efforts of our entire team. We have worked hard to achieve copper sulphate production in a short period of time and we are proud to be one of the few active copper sulphate producers in the country."

We believe our offtake agreement with Kanins International provides confidence in True North Copper's revenue generation. The agreement ensures a premium above the London Metal Exchange price for our high-quality copper sulphate, providing a stable and predictable revenue stream.

This is another milestone completed that forms part of our overarching strategy to become Australia's next critical minerals producer of copper and cobalt as we finalise restart studies for full-scale production."

About copper sulphate and Kanins International

- Copper sulphate is a mineral salt widely used in various industries, including agriculture, mining, water treatment, and chemical manufacturing. Its applications range from agricultural fungicides, animal feed supplements, and soil sterilization to electroplating and laboratory reagents.
- Kanins International is an Australian owned business, based in Melbourne but operating globally. It supplies copper sulphate for the mining/mineral processing industry, animal feed, fertilizer and pesticide industries across both domestic and international markets (see [Kanins website](#) for further information).



Figure 1: Copper sulphate crystal loaded into a Bulka bag from the plant centrifuge at the Cloncurry Project Copper Sulphate Plant



Figure 2: Picture of the centrifuge loaded with copper sulphate crystal produced at the Cloncurry Project Copper Sulphate Plant

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Figure 3: Sample of copper sulphate crystal produced at the Cloncurry Project Copper Sulphate Plant

Offtake agreement

The offtake agreement sees Kanins International acquire all copper sulphate produced by the Company at its Queensland sites for the life of copper sulphate production from those sites.

The pricing of copper sulphate sold to Kanins is determined by reference to the London Metals Exchange (LME) Copper price at that time plus a surcharge.

Kanins will provide technical services to the Company as required (at negotiable fees) to assist the Company to produce products which will achieve the highest return (with fair and reasonable pricing for improved product to be agreed).

Kanins has agreed to offer a working capital facility to the Company, on terms and conditions to be separately agreed between the parties.

AUTHORISATION

This announcement has been approved for issue by Marty Costello, Managing Director.

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

This release includes “forward looking statements” within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” “guidance” and other similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TNC and its officers, employees, agents or associates, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and TNC assumes no obligation to update such information. Specific regard (amongst other things) should be given to the risk factors outlined in this presentation.

CONTACT DETAILS

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