

ASX Announcement | ASX: TNC

1 September 2023

TNC copper sulphate production update: August 2023

True North Copper Limited (ASX: TNC) (True North, TNC or the Company) is pleased to provide an operational update for the month of August 2023 regarding its copper sulphate production at its Cloncurry Project (Queensland, Australia).

TNC has consistently increased copper sulphate production throughout August 2023, in tandem with the rise in soluble metal concentrations within the SX Plant production circuit.

The Company anticipates metal concentrations to continue rising throughout September 2023 (as consistent with testwork), until the plant achieves its projected production capacity (projected to be by the end of September 2023).

TNC has an exclusive offtake agreement with Kanins International for its copper sulphate production in Queensland.¹

SUMMARY

- Heap Leach operation is consistent with both metallurgical testwork and company projections.
- Daily production will increase throughout September until plant capacity is achieved. The targeted capacity is 25 bags per day (bag weight averages between 900kg and up to 1.25t).
- As of 29 August 2023, there was 70kt of crushed ore under leach, with an additional 50kt in Run-of-Mine stockpiles awaiting crushing.
- Full payment for 20-bag shipments (approximately 20t) typically occurs within 5 days of production. Prices are set at the LME rate plus a premium. Average attributable price received for the month of August 2023 was US\$8445 per metal tonne plus surcharge.
- All-In Sustaining Costs (AISC) for this copper sulphate product are expected to be low and based on August 2023 production, AISC at steady-state is expected to be in the range of \$0.8 - 1.40 per/lb AUD.
- Mining restart studies at the Cloncurry Project for copper sulphide production will be finalised and announced during Q4 2023.

COMMENT

True North Copper's Managing Director Marty Costello said:

"Commissioning of our SX Plant commenced in late June following refurbishment works. Despite a delay of approximately three weeks to our initial commissioning schedule, our sulphate production levels are now progressing as anticipated.

Production of copper sulphate is low cost, and its market value ensures we receive timely revenue, typically within 5 days post-production. Our decision to initiate production with existing oxide ore stockpiles was strategic, allowing us to solidify our

¹ Refer to TNC ASX announcement: *TNC Commences Copper Sulphate Production* (31 July 2023).

operational foundation as exploration progresses at our Mt Oxide and Cloncurry Projects and we finalise mining restart studies.

With the planned commencement of mining at our Cloncurry Project, copper sulphate production is projected to constitute 20-25% of our annual metal output.

We're nearing the final stages of studies supporting the pending decision to resume mining operations at Cloncurry, which will allow us to commence copper concentrate production, and we expect to update the market in the December quarter."

About TNC's copper sulphate product

- Contains greater than 24% copper content (generally between 24-26%), crystallised form and free flowing.
- 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 sterilisation to electroplating and laboratory reagents.
- TNC is paid (100% LME price + premium) for the copper content of each bag. Each bag carries up to 1.25 tonnes of product (see Figures 1 & 2 below of bags of copper sulphate at the Cloncurry Project ready for shipment).
- TNC has an offtake agreement which requires all copper sulphate produced by the Company at its Queensland sites for the life of copper sulphate production from those sites to be purchased by Kanins International.



Figure 1. Bags of copper sulphate stored at the Cloncurry Project ready for shipment



Figure 2. Bags of copper sulphate stored at the Cloncurry Project ready for shipment

About TNC's copper sulphate production

- Since commencement of copper sulphate production², copper concentrations in solutions have continued to increase. The current PLS grade is 1.2g/L and flows from heap are 39.1m³/hr. TNC expects this to increase as per testwork and operational metallurgical balance, until process and plant capacity is reached. Refer to Figures 3 and 4 below with respect to current plant production for August 2023 and monthly production forecast for the next 3 months.
- TNC's operational team has delivered significant advancements in recent weeks as its operational knowledge and experience increases. Additionally, maintenance crews have transitioned from reactive measures, which were part of the initial plant commissioning, to now executing planned and scheduled programs.
- As of 29 August 2023, current Run-of-Mine uncrushed oxide ores stocks are circular 50kt of ore transported from TNC's Mt Norma mine site. This oxide ore is uncrushed (sizing 100mm- 800mm) and unleached grading approximately 2% (refer to TNC's Prospectus Annexure A - page 204³).
- All-In Sustaining Costs for this copper sulphate product are expected to be in the range of \$0.8 - 1.40 per/lb AUD. August 2023 production is within this guidance.

² See TNC ASX announcement: *TNC Commences Copper Sulphate Production* (31 July 2023)

³ See TNC ASX announcement: *Prospectus* (16 June 2023)

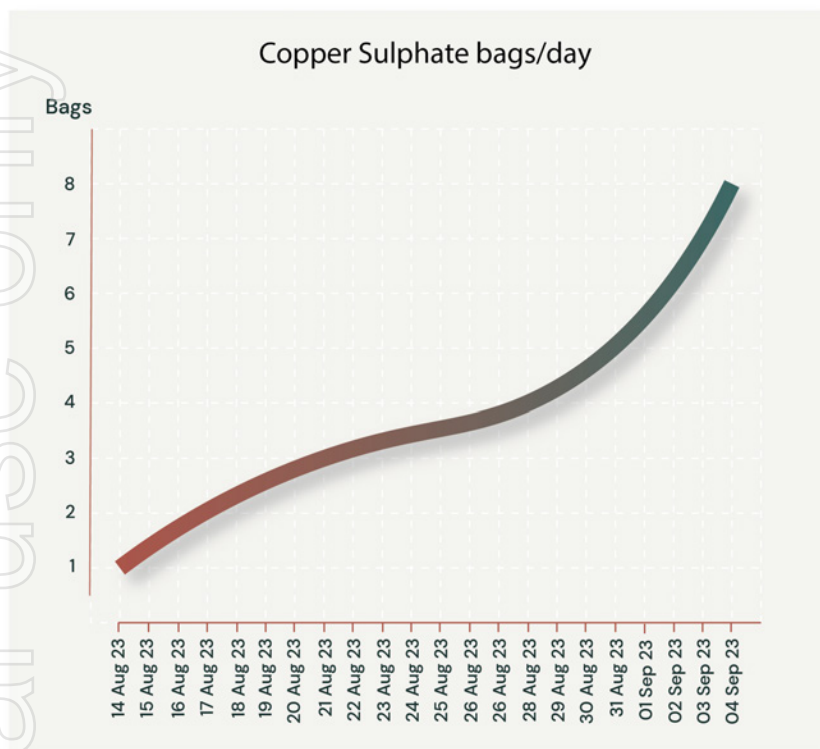


Figure 3. Copper sulphate production throughout August 2023 (actual) and throughout September 2023 (projected) represented via bags produced per day.

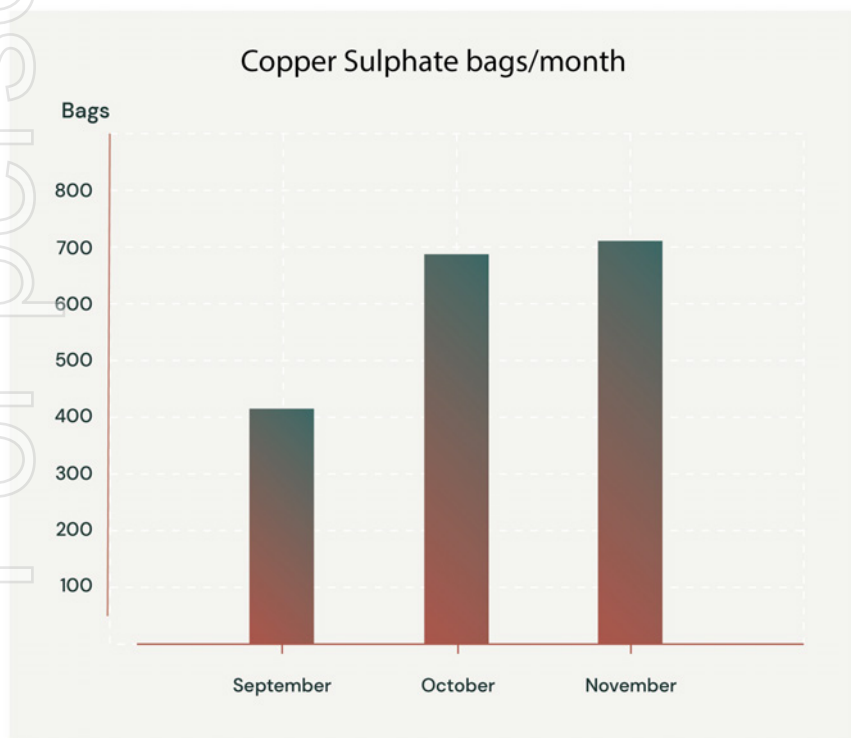


Figure 4. Copper sulphate production projected (via bags produced) for September, October, and November 2023.

About TNC's copper oxide inventory

- From TNC's Cloncurry Restart Resource inventory (combined Indicated and Inferred category), which totals 12.4MT at 0.8% Cu (as detailed in TNC Prospectus, Annexure A, page 143⁴), about 2.7MT is recognized by TNC operations as suitable for heap leaching. A part of this 2.7MT is incorporated in the Initial Ore Reserve for the Great Australia Mine⁵ (see Figure 5).
- TNC has identified various oxide ore stockpiles in the vicinity of the TNC Cloncurry SX Plant. TNC is currently in discussions regarding the processing of these stockpiles. Their significance to the Company lies in ensuring consistent copper sulphate production, even amidst potential changes in mining sequences in the forthcoming years. TNC will inform the market when agreements are finalised with third party oxide ore providers.

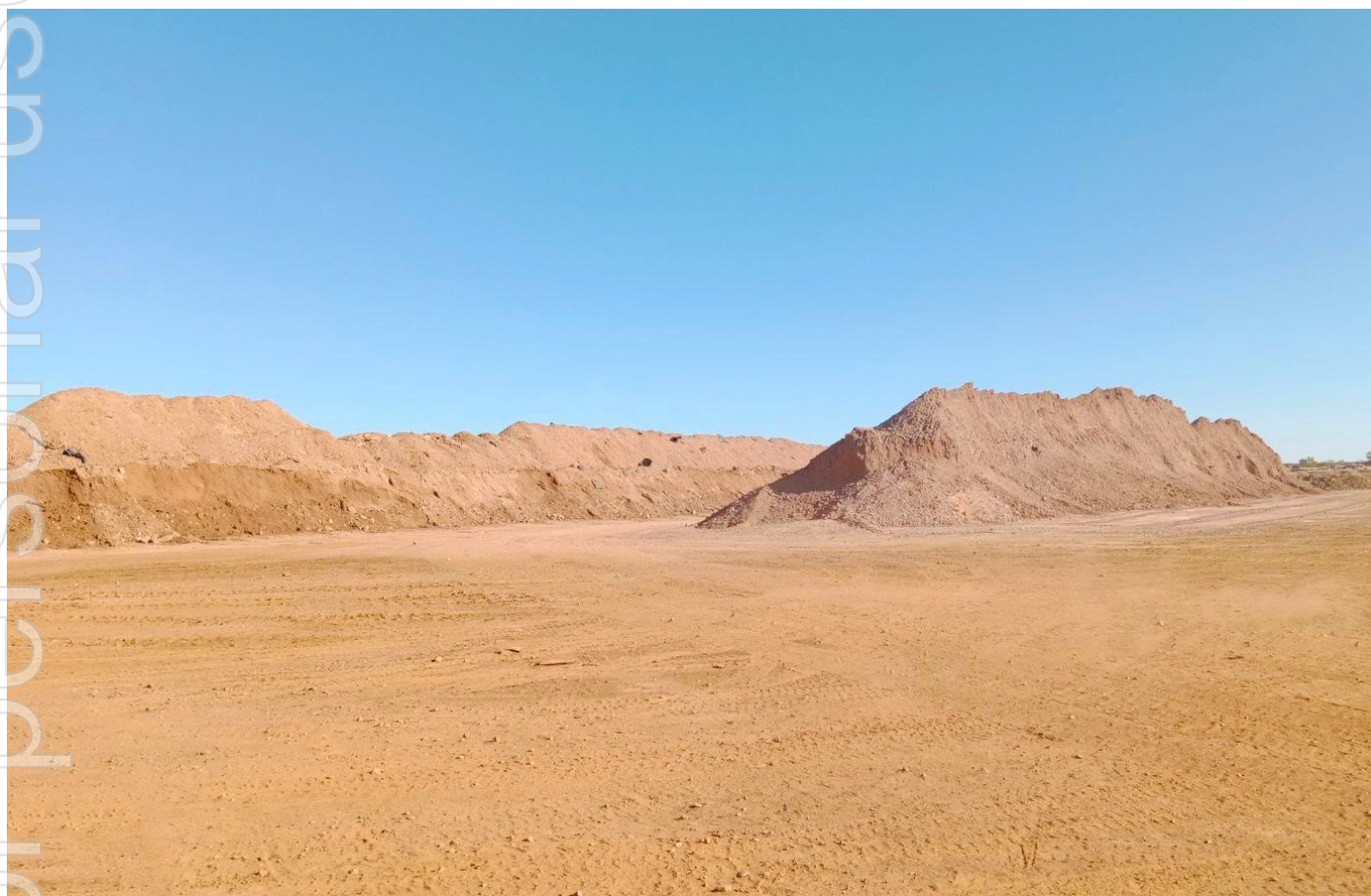


Figure 5. TNC's Great Australia ROM Pad (image taken 30 August 2023)

⁴ See TNC ASX announcement: *Prospectus* (16 June 2023)

⁵ See TNC ASX announcement: *Initial Ore Reserve for Great Australia Mine – Updated* (4 July 2023)

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.

JORC AND PREVIOUS DISCLOSURE

The information in this release that relates to Mineral Resource Estimates and Ore Reserve Estimates for Great Australia, Orphan Shear, Taipan, Wallace North and Mt Norma is based on information previously disclosed in the following Company ASX announcements that are available on the Company’s website (www.truenorthcopper.com.au) and the ASX website (www.asx.com.au) under the Company’s ticker code “TNC”:

- 28 February 2023, Acquisition of the True North Copper Assets.
- 16 June 2023, Prospectus.
- 4 July 2023, Initial Ore Reserve for Great Australia Mine – Updated.

The Company confirms that it is not aware of any new information as at the date of this release that materially affects the information included in these releases and that all material assumptions and technical parameters underpinning the estimates and results continue to apply and have not materially changed. The Company confirms that the form and context in which the relevant Competent Person’s findings are represented have not been materially modified from the original market announcements.

CONTACT DETAILS

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