

ASX Announcement | ASX: TNC

17 November 2023

TNC Placement to fund Great Australia Mine restart and copper exploration

True North Copper Limited (ASX: TNC, “TNC” or “Company”) is pleased to advise it has received firm commitments for a \$15 million two-tranche placement to raise approximately \$10.7 million in cash and approximately \$4.3 million in debt converted (“**Placement**”).

The Placement was strongly supported, with high levels of institutional participation that included leading global investor groups both domestically and offshore.

HIGHLIGHTS

- Firm commitments received for a ~\$15 million Placement (including ~\$4.3 million in debt converted), with strong demand from leading global investor groups both domestically and offshore, providing endorsement of TNC’s growth strategy.
- TNC will use proceeds from the Placement, together with existing cash, for:
 - Restart of the Great Australia Mine, Queensland
 - Cloncurry exploration and mine life extension drilling
 - Further drilling and survey works at the Vero Resource targeting resource growth
 - Conversion of short-term loan from Tembo plus accrued interest to equity
 - Partial repayment of short-term working capital facility to Dyda Property Management
 - General working capital and the costs of the Placement
 - The Placement will provide significant balance sheet strength and flexibility to progress activities to support the restart of the Great Australia Mine to increase near-term cash-flows
- Additionally, term sheet signed with a specialist mine finance group to provide up to US\$28m facility to support growth of the business (subject to due diligence and execution of definitive documentation).
- Copper sulphate production has continued to ramp-up in the December quarter and now cashflow positive.
- Expected additional cash-flows from the Great Australia Mine will support further exploration activities at the highly prospective Vero Resource, part of TNC’s Mt Oxide Project.
- Subject to shareholder & FIRB approval, TNC’s major shareholder Tembo Capital Holdings UK Ltd has provided a firm commitment for \$6.5m in the Placement (including ~\$4.3 million in debt to be converted).
- TNC Managing Director Marty Costello and Chairman Ian McAleese will also participate in the Placement, subject to shareholder approval.

COMMENT

True North Copper Managing Director, Marty Costello said: *This Placement represents a substantial de-risking of the Great Australia Mine restart. We expect completion of the mining study for the Great Australia Mine and FID by early December 2023. We are laser focused on delivering on our stated objectives and creating value for our shareholders.*

We are incredibly grateful to our existing shareholders for their loyal support and welcome new shareholders to the TNC register. The entire TNC team is working tirelessly to deliver on our strategy and repay the faith shown to us.

PLACEMENT OVERVIEW

The Placement will provide the Company with significant balance sheet strength and flexibility to progress activities to support the restart of the Great Australia Mine.

Tembo Capital Holdings UK Ltd ("**Tembo**"), a major shareholder of the Company, has provided a firm commitment, subject to shareholder and FIRB approval, subscribing for 54,166,667 New Shares under Tranche 2 of the Placement (including through conversion of the existing short-term working capital facility to equity at the Placement price). Conversion of the Tembo debt to equity and strengthening of the balance sheet will also assist TNC to unlock further liquidity via the targeted working capital facilities which are in very advanced stages of negotiation.

The Placement comprises the issue of approximately 125 million shares new fully paid ordinary shares ("**New Shares**") at a price of \$0.12 per New Share. The Placement will take place in two tranches:

- Tranche 1 to raise approximately \$8.3 million via the issue of approximately 69.2 million New Shares utilising the Company's placement capacity under ASX Listing Rule 7.1 ("**Tranche 1**"); and
- Tranche 2 to raise approximately \$2.4 million in cash and approximately \$4.3 million in debt converted via the issue of 55.8 million New Shares, subject to shareholder approval to be sought at a meeting of the Company expected to be held in December ("**Meeting**") ("**Tranche 2**"). A notice of meeting will be dispatched to shareholders in due course.

Managing Director, Marty Costello and Chairman Ian McAleese have also subscribed for approximately 583,000 New Shares (collectively) in the Placement, subject to shareholder approval at the Meeting.

Financing facility

TNC has signed a term sheet on a financing facility designed to refinance the current cash backed environmental bonds and provide additional working capital to support the commencement of mining at Great Australia. The finance party is in the final stages of due diligence and the Company looks forward to updating the market in due course following completion of due diligence and execution of definitive documentation.

Catalysts and work program

The Company has been extremely busy on a number of workstreams with the immediate priority to reach FID on Great Australia mine and build cashflow through open pit mining. There are several major catalysts ahead over the next two quarters, including:

- Great Australia mine feasibility study
- Off-take and tolling agreement for Great Australia mine restart
- FID on the Great Australia mine
- Mt Oxide / Vero assays [ASX (TNC): Release 14 November 2023, *TNC intersects 26.20m @4.45% Cu, Vero*]
- Mt Oxide / Vero Resource update
- Wallace North Reserve update
- Commercial production from Great Australia mine

Placement Timetable

TNC will resume trading on the ASX from market open today, Friday, 17 November 2023. The New Shares under Tranche 1 of the Placement are expected to settle on Friday, 24 November 2023 and be issued and commence trading on the ASX on a normal basis on Monday, 27 November 2023. New Shares issued under the Placement will rank equally with the Company's existing shares on issue.

Bell Potter Securities Limited and Morgans Corporate Limited are acting as Joint Lead Managers and Joint Bookrunners to the Placement. Foster Stockbroking Pty Limited is acting as Co-Manager to the Placement. Steinepreis Paganin acted as Legal Adviser.

Event	Date
Trading halt lifted	Friday, 17 November 2023
Settlement of New Shares under Tranche 1	Friday, 24 November 2023
Allotment and expected commencement of trading of New Shares issued under Tranche 1	Monday, 27 November 2023
Meeting to approve Tranche 2	Mid December
Settlement of New Shares issued under Tranche 2	Mid December
Allotment and expected commencement of trading of New Shares issued under Tranche 2	Mid December

** This timetable is indicative only and the Company reserves the right to withdraw the Placement or vary the timetable for the Placement at any time before the issue of the relevant securities without notice, subject to the ASX Listing Rules and the Corporations Act and other applicable laws. The commencement of trading and quotation of New Shares is subject to ASX confirmation. The Company gives no assurance that such quotation will be granted.*

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