Copper 360 Group

Trading as

Copper 360

(Registration Number 2021 / 609755 / 06)

Annual Financial Statements

for the year ended 29 February 2024

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared internally under the supervision of LAS du Plessis CA(SA), Chief Financial Officer.

Date published: 16 August 2024

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General Information

Country of Incorporation and Domicile	South Africa
Registration Number	2021 / 609755 / 06
Registration Date	12 May 2021
Nature of Business and Principal Activities	The group produces copper from copper oxide ore resources and is developing several projects to produce copper from sulphide ore.
Board of Directors	JP Nelson LAS du Plessis SA Hayes R Smith GV Thompson QNP Adams A van Niekerk MH Mathe MJA Golding (Appointed 4 September 2023)
Registered Office	1 Main Road Nababeep Northern Cape 8265
Business Address	Building B1 Vineyard Office Park Stellenbosch 7600
Postal Address	Building B1 Vineyard Office Park Stellenbosch 7600
Bankers	First National Bank
Tax Number	9337865225
Group Secretary	Phillip Venter Attorneys 449 A Rodericks Street Lynnwood Pretoria 0081

General Information

Auditors	Moore Pretoria Incorporated 321 Alpine Way Lynnwood Pretoria 0081
Preparation of financial statements	These financial statements have been internally compiled under the supervision of LAS du Plessis CA(SA), Chief Financial Officer.

Directors' Responsibilities and Approval

The board of directors is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is its responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the group and places considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all office bearers are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board of directors is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the board of directors has no reason to believe that the group will not be a going concern in the foreseeable future. The annual financial statements support the viability of the group.

The annual financial statements have been audited by the independent auditing firm, Moore Pretoria Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 11 to 15.

The annual financial statements 2024 were prepared internally under the supervision of LAS du Plessis CA(SA), Chief Financial Officer.

The annual financial statements set out on pages 16 to 71 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 16 August 2024 on its behalf by:

JP Nelson

LAS du Plessis

Certificate by the Group Secretary

I hereby confirm, in my capacity as company secretary of Copper 360 Group, that for the financial year ended 29 February 2024, the Group has filed all required returns and notices in terms of the Companies Act of South Africa, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Phillip Venter Attorneys
Group Secretary
16 August 2024

Report of the Audit Committee

We are pleased to present our report for the financial year ended 29 February 2024.

The audit committee is an independent statutory committee appointed by the shareholder. Further duties are delegated to the audit committee by the board of directors of the group. This report includes both these sets of duties and responsibilities.

1. Audit committee terms of reference

The audit committee has adopted formal terms of reference that have been approved by the board of directors. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein.

2. Audit Committee Members and Attendance

The audit committee is independent and consists of three independent, nonexecutive directors. It meets at least twice per year as per its terms of reference.

The chairman of the board, chief executive officer, finance director, chief audit executive, external auditor and other assurance providers (legal, compliance, risk, health and safety) attend meetings by invitation only.

During the year under review two meetings were held.

The effectiveness of the audit committee and its individual members are assessed on an annual basis.

3. Role and responsibilities

3.1 Statutory duties

The audit committee's role and responsibilities include statutory duties per the Companies Act of South Africa, and further responsibilities assigned to it by the board of directors. The audit committee executed its duties in terms of the requirements of King III and instances where the King III requirements have not been applied have been explained in the corporate governance statement, included elsewhere in the Annual Report.

The committee ensured that the appointment of the auditor complied with the Companies Act of South Africa, and any other legislation relating to the appointment of auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2024 year.

There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. The committee approved the terms of a master service agreement for the provision of non-audit services by the external auditor, and approved the nature and extent of non-audit services that the external auditor may provide in terms of the agreed pre-approval policy.

The committee has nominated, for election at the annual general meeting Moore Pretoria as the external audit firm and Ms Sindy Jonker as the designated auditor responsible for performing the functions of auditor for the 2025 financial year. The audit committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors and their advisors.

Report of the Audit Committee

Financial statements and accounting practices

The audit committee has reviewed the accounting policies and the financial statements of the group and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

An audit committee process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the Group. No matters of significance have been raised in the past financial year.

Internal financial controls

The audit committee has overseen a process by which internal audit performed a written assessment of the effectiveness of the group's system of internal control and risk management, including internal financial controls. This written assessment by internal audit formed the basis for the audit committee's recommendation in this regard to the board of directors, in order for the board of directors to report thereon. The board of directors reports on the effectiveness of the system of internal controls is included elsewhere in the Annual Report. The audit committee supports the opinion of the board of directors in this regard.

Whistle blowing

The audit committee receives and deals with any concern or complaints, whether from within or outside the group, relating to the accounting practices and internal audit of the group, the content or auditing of the group's financial statements, the internal financial controls of the group and related matters.

During the year, the committee met with the external auditors without management being present.

The audit committee is satisfied that it complied with its legal, regulatory or other responsibilities.

Evaluation of the expertise and experience of financial director and finance function

The audit committee has satisfied itself that the financial director has appropriate expertise and experience.

The audit committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Anel van Niekerk
Chairperson of the Audit Committee
16 August 2024

Directors' Report

The board of directors presents its report for the year ended 29 February 2024.

1. Review of activities

Main business and operations

During the year under review, the Group produced copper from copper oxide ore resources and is developing several projects to produce copper from sulphide ore. These projects include the opening of the Rietberg mine, the construction of a copper concentrate plant and the acquisition of Nama Copper Resources (Pty) Ltd, a company which owns a copper concentrate plant and holds a mining right over its property. The opening of Rietberg mine and the construction of the copper concentrate plant are ongoing with expected completion dates during the new financial year. The acquisition of Nama Copper Resources (Pty) Limited was financially closed during March 2024 and is now only conditional on the ministerial consent for the change in control relating to the mining right.

The operating results and statement of financial position of the group are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed. The board of directors is not aware of any matter or circumstance arising from the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

No changes were approved or made to the authorised share capital of the company during the year under review. The Company issued a total of 68 659 541 new ordinary shares of which 33 857 849 are held by Cape Copper Oxide (Pty) Ltd as treasury shares as set out in the Audited Annual Financial Statements.

5. Dividend

No dividend was declared or paid to the shareholder during the year.

Directors' Report

6. Board of Directors

The board of directors of the group during the year and up to the date of this report is as follows:
JP Nelson
LAS du Plessis
SA Hayes
R Smith
GV Thompson
QNP Adams
A van Niekerk
MH Mathe
MJA Golding (Appointed 4 September 2023)

7. Litigation statement

Other than as disclosed in the Pre-listing statement published on 5 April 2023, the directors are not aware of any pending litigation.

8. Secretary

The group's designated secretary is Phillip Venter Attorneys.

9. Interest in subsidiaries

The Company owns the following interest in subsidiary companies:

Subsidiary	Percentage ownership	Main Business
Cape Copper Oxide Proprietary Ltd	100%	Production of copper cathodes
O'Okiep Copper Company (Pty) Ltd	100%	Ownership of properties and operating assets related to production of copper
Shirley Hayes-IPK (Pty) Ltd	95%	Holder of mining right and entity through which mining operations are to be conducted.

In addition, the Company is in the process of acquiring 100% of Nama Copper Resources (Pty) Ltd, a company that owns property on which a copper sulphide concentrator plant is situated and holds a mining right over the same property.

10. Commitments

All financial commitments of the Company and its subsidiaries have been disclosed in the Audited Annual Financial Statements.

11. Controlling and Ultimate Beneficial Shareholder

The controlling and ultimate beneficial shareholder of the Company is Ms SA Hayes with an interest of 55%.

12. Independent Auditors

Moore Pretoria Incorporated were the independent auditors for the year under review.

13. Preparation of Annual Financial Statements

The Annual Financial Statements 2024 were prepared internally under the supervision of LAS du Plessis CA(SA), Chief Financial Officer.

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Pretoria
0081

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Independent Auditor's Report

To the Shareholders of Copper 360 Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Copper 360 Limited and its subsidiaries (the group) set out on pages 16 to 71, which comprise the consolidated statement of financial position as at 29 February 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Copper 360 Limited and its subsidiaries as at 29 February 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the IFRS® Accounting Standards and the requirements of the Companies Act 71 of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Moore Pretoria Inc | 2010/ 012261/21 | Registered Auditors - Practice Number 926949.
Directors: AE Prinsloo, S Jonker, A Bennie and D Theunissen.

Member firms in principal cities throughout the world.

MOORE

Key audit matter	How our audit procedures addressed the key audit matter
Accounting treatment of business combination between Copper 360 Limited and Shirley Hayes IPK Proprietary Limited – Note 7.1 The group entered into a transaction in terms of which it acquired a 95% equity interest in Shirley Hayes IPK (Pty) Ltd (SHIP) in exchange for shares constituting 74.4% of the issued capital in Copper 360 Limited (CU360). The transaction remained conditional on the granting of the listing of Copper 360 Limited on the AltX Exchange of the JSE. Such listing was granted and CU360 was listed on the AltX Exchange of the JSE on 21 April 2023 following the raising of additional share capital by way of private placement on 20 April 2023. The nature of the transaction is that it would qualify as a reverse take-over in terms of IFRS 3 whereby SHIP is the accounting acquirer and CU360 the accounting acquiree. We considered the accounting for this transaction to be a matter of significance to the current year audit due to the complexity of the accounting for reverse take-overs in terms of IFRS 3 and the magnitude of the amounts involved.	Our audit procedures performed included the following: • We obtained the relevant agreements and ensured the legality thereof. • We critically analysed the agreements and evaluated the accounting treatment thereof, with reference to the definition of control in terms of IFRS 10 *Consolidated Financial Statements* and the guidance on identifying the acquirer in terms of IFRS 3 *Business Combinations*. • Based on the evaluation performed we assessed the appropriateness of management's judgements in accounting for the transaction. • We critically assessed management's assumptions made in the determination of the fair values assigned to the identifiable assets and liabilities forming part of the business combination. • We recalculated the value of the deemed consideration transferred based on the exchange ratio established in the agreements. • We recalculated the goodwill recognised in the consolidated financial statements as a result of the reverse take-over. • We evaluated the adequacy of the disclosures with respect to the business combination as disclosed in note 7.1.
Recognition of deferred tax asset – Note 11 The group incurred a loss before tax for the current year to the value of R104.1 m. A deferred tax asset on the assessed loss was recognised. In assessing the value of the asset that can be recognised in terms of IAS 12 *Income Taxes*, management made significant assumptions and estimates relating to the feed tonnes, grading of copper produced, recovery percentages, London Metal Exchange prices, the ZAR/US exchange rate, inflation rate and other growth rates relevant to expenditure.	Our audit procedures performed included the following: We focused our audit work on testing the key assumptions and estimates made by management in determining the estimated future taxable income, which included: • Critically evaluating whether the method used by management in preparing the forecast is appropriate. • Challenging the assumptions used by management in the calculations for future cash flows by assessing the reasonableness of assumptions based on other audit evidence obtained and our knowledge of the group.

MOORE

Key audit matter	How our audit procedures addressed the key audit matter
	• Assessing the mathematical accuracy of the forecast. • Comparing the projected future taxable income with the assessed loss at year end to ensure that sufficient taxable income will be generated to utilise the assessed loss against. • We evaluated the adequacy of the disclosures with respect to the assumptions used in the determination as detailed in note 11 to the consolidated financial statements.

OTHER MATTER

As a result of the accounting for the reverse take-over in terms of IFRS 3 these consolidated financial statements were prepared as a continuation of the operations of Shirley Hayes IPK Proprietary Limited, the accounting acquirer and legal acquiree. The comparative information in these consolidated financial statements therefore relate to the comparative information of Shirley Hayes IPK Proprietary Limited. The financial statements of Shirley Hayes IPK Proprietary Limited for the year ended 28 February 2023 was not audited and therefore the comparative information contained in these consolidated financial statements are unaudited. Sufficient appropriate audit evidence has been obtained over the opening balances in terms of ISA 510 *Initial Audit Engagements—Opening Balances.*

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Copper 360 Limited Annual Report for the year ended 29 February 2024", which includes the Directors' Report, Certificate by the Company Secretary, and the Report of the Audit Committee as required by the Companies Act of South Africa and the Annual Report which we obtained prior to this report. Other information does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, 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 CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group’s ability 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 have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 International Standards on Auditing 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 these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 consolidated financial statements 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.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an audit opinion on the consolidated financial statements. 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.

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 actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Pretoria has been the auditor of Copper 360 Limited for two [2] years.

Moore Pretoria
Registered Auditors

Director: Sindy Jonker CA(SA)
Registered Auditor

16 August 2024
Pretoria

Copper 360 Group

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Financial Statements for the year ended 29 February 2024

Statement of Financial Position

Figures in R'000	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment	5	322,800	431
Right-of-use assets	19	26,219	-
Intangible assets	6	432,900	-
Exploration and evaluation assets	8	9,670	1,147
Deferred tax assets	11	102,768	7,690
Investments	12	200,000	-
Other loans and receivables	13	28,468	1,019
Total non-current assets		**1,122,825**	**10,287**
Current assets			
Inventories	9	11,749	-
Trade and other receivables	10	31,325	-
Other loans and receivables	13	740	-
Prepayments		5,709	20
Cash and cash equivalents	14	22,132	2
Total current assets		**71,655**	**22**
Total assets		**1,194,480**	**10,309**
Equity and liabilities			
Equity			
Issued capital	15	658,950	-
Accumulated loss		(86,722)	(20,815)
Total equity attributable to owners of the parent		**572,228**	**(20,815)**
Non-controlling interests		1,086	-
Total equity		**573,314**	**(20,815)**
Liabilities			
Non-current liabilities			
Provisions	16	2,743	-
Deferred tax liabilities	11	34,941	-
Other financial liabilities	18	145,742	-
Total non-current liabilities		**183,426**	**-**
Current liabilities			
Provisions	16	3,601	490
Trade and other payables	17	32,773	2,669
Other financial liabilities	18	401,366	27,965
Total current liabilities		**437,740**	**31,124**
Total liabilities		**621,166**	**31,124**
Total equity and liabilities		**1,194,480**	**10,309**

Statement of Profit or Loss and Other Comprehensive Income

Figures in R'000	Notes	2024	2023
Revenue	21	31,624	-
Cost of sales	22	(69,586)	-
Gross loss		**(37,962)**	**-**
Other income	23	16,289	-
Administrative expenses	24	(4,355)	(51)
Other expenses	25	(67,894)	(1,582)
Other gains and (losses)	26	(2,058)	-
Loss from operating activities		**(95,980)**	**(1,633)**
Finance income	27	7,877	-
Finance costs	28	(16,035)	(87)
Loss before tax		**(104,138)**	**(1,720)**
Income tax credit	29	39,320	465
Loss for the year		**(64,818)**	**(1,255)**
Loss for the year attributable to:			
Owners of Parent		(64,772)	(1,255)
Non-controlling interest		(46)	-
		(64,818)	**(1,255)**
Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the year			
Basic and diluted earnings per share			
Basic and diluted loss per share (Cents per share)	30	(10.7)	(0.3)
Total basic and diluted loss per share		**(10.7)**	**(0.3)**
Other comprehensive income net of tax			
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		(64,772)	(1,255)
Comprehensive income, attributable to non-controlling interests		(46)	-
		(64,818)	**(1,255)**

Statement of Changes in Equity

Figures in R'000	Issued capital	Accumulated loss	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 March 2022	-	(19,560)	(19,560)	-	(19,560)
Changes in equity					
Loss for the year	-	(1,255)	(1,255)	-	(1,255)
Total comprehensive income for the year	-	(1,255)	(1,255)	-	(1,255)
Balance at 28 February 2023	**-**	**(20,815)**	**(20,815)**	**-**	**(20,815)**
Balance at 1 March 2023	-	(20,815)	(20,815)	-	(20,815)
Changes in equity					
Loss for the year	-	(64,772)	(64,772)	(46)	(64,818)
Total comprehensive income for the year	-	(64,772)	(64,772)	(46)	(64,818)
Deemed consideration in terms of reverse takeover accounting (refer to note 7.1)	643,855	-	643,855	-	643,855
Recognition of non-controlling interest in terms of reverse takeover	-	(1,135)	(1,135)	1,132	(3)
Other shares issued during the year (refer to note 15.2)	152,975	-	152,975	-	152,975
Treasury shares issued to subsidiary	(137,880)	-	(137,880)	-	(137,880)
Balance at 29 February 2024	**658,950**	**(86,722)**	**572,228**	**1,086**	**573,314**
Notes	**15**				

Copper 360 Group

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Financial Statements for the year ended 29 February 2024

Statement of Cash Flows

Figures in R'000	Notes	2024	2023
Cash flows from operations			
Cash receipts from customers		34,895	(3)
Cash paid to suppliers and Employees		(164,923)	(91)
Net cash flows used in operations	36	**(130,029)**	**(94)**
Finance cost		(3,130)	(30)
Interest income		2,435	-
Net cash flows used in operating activities		**(130,724)**	**(124)**
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		2,722	-
Purchase of property, plant and equipment		(199,777)	-
Proceeds from business combinations (refer to note 7)		247,632	-
Investments in other companies purchased		(102,800)	-
Purchase of IFRS 6 asset		(8,523)	-
Loans advanced at amortised cost		(1,286)	-
Loans receivable at amortised cost		-	(16)
Cash flows used in investing activities		**(62,032)**	**(16)**
Cash flows from financing activities			
Proceeds on share issue/capital injection by owners		733	-
Proceeds from borrowings		310,688	142
Repayment of borrowings		(1)	-
Repayment of borrowings		(94,581)	-
Repayment of lease liability		(1,922)	-
Movement in instalment sale agreements		(31)	-
Cash flows from financing activities		**214,886**	**142**
Net increase in cash and cash equivalents		**22,130**	**2**
Cash and cash equivalents at beginning of the year		2	-
Cash and cash equivalents at end of the year	**14**	**22,132**	**2**

* Refer to note 37 for changes in liabilities arising from financing activities.

Accounting Policies

1. General information

Copper 360 Group ('the group') produces copper from copper oxide ore resources and is developing several projects to produce copper from sulphide ore.

The group is incorporated as a group and domiciled in South Africa. The address of its registered office is 1 Main Road, Nababeep, Northern Cape, 8265.

2. Basis of preparation and material accounting policy information

The consolidated financial statements of Copper 360 Group (the Group) comprise the Company and its subsidiaries. The consolidated annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC® Interpretations), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act No 71 of 2008 as amended (the Act).

The preparation of financial statements in conformity with International Financial Reporting Standards 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 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Consolidation

Functional and presentation currency

The group financial results are presented in South African Rand, which the group’s functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Accounting Policies

Basis of preparation and material accounting policy information continued...

Inter-entity transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

2.1 Property, plant and equipment

Property, Plant and Equipment include the following asset classes: Land and Buildings, Plant and Equipment (Machinery), Motor Vehicles and Assets Under Construction.

Land and Buildings are measured at cost and are not depreciated. Machinery and Motor Vehicles are measured at cost less accumulated depreciation and any impairment accumulated impairment losses if applicable.

Assets Under Construction relates to work-in-progress capital expenditure and is an accumulation of capital expenditure, including capitalisation of expenses directly attributable in constructing an asset.

An asset is reclassified upon completion when it is available to be used.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases when the asset is derecognised.

The depreciation charge for each period is recognised in profit or loss.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Measurement base	Useful life / depreciation rate	Depreciation method
Land and buildings	Cost	Not Depreciated	Not Depreciated
Generators	Cost	15 Years	Straight line
Machinery	Cost	20 Years	Straight line
Motor vehicles	Cost	5 Years	Straight Line
Fixtures and fittings	Cost	6 Years	Straight Line
Computer equipment	Cost	3 Years	Straight Line

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Accounting Policies

Basis of preparation and material accounting policy information continued...

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statement of profit or loss and other comprehensive income.

2.2 Intangible assets

Intangible assets consist of goodwill that arose at acquisition date with the reverse take-over of Copper 360 Ltd by Shirley Hayes-IPK (Pty) Ltd ('SHIP'). Goodwill at acquisition is the amount by which the fair value of the consideration transferred exceeds the fair value of the identifiable net assets acquired. The goodwill has an indefinite life and is not amortised.

2.3 Investments

Investments, other than investments in subsidiaries, are unlisted financial assets carried at cost and recognised when it is substantially certain that the right to the underlying investment asset is obtained and amounts paid do not represent refundable deposits. Increases and decreases on unlisted investments are reflected in the statement of profit or loss. All regular purchases and sales of financial assets are recognised on the trade date, i.e. the date the group commits to purchasing the asset.(Refer to note 12)

2.4 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 held by the entity include:
• Trade and other receivables
• Cash and cash equivalents
• Loans and other receivables

Financial liabilities held by the entity include:
• Trade and other payables
• Other financial liabilities

Classification and recognition

The Group's financial assets are classified into the following measurement category:

Financial assets at amortised cost, consisting of:
• Trade and other receivables
• Cash and cash equivalents
• Loans and other receivables

The group's financial liabilities are classified into the following measurement categories:

Basis of preparation and material accounting policy information continued...

Financial liabilities at amortised cost, consisting of:
• Trade and other payables
• Other financial liabilities

Recognition

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset.

2.4.1 Initial measurement

Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of Financial Liabilities at Amortised Cost, net of directly attributable transaction costs.

Loans incurred at below-market interest rates are initially valued at fair value. Such fair value is determined using valuation techniques with inputs that are not observable inputs. The difference between the calculated fair value and the transaction price (principal debt) gives rise to a gain on initial measurement of the financial liability. The day one gain is deferred and subsequently systematically realised in the Statement of Other Comprehensive Income over the repayment period.

2.4.2 Subsequent measurement

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
    - Interest income is included in finance income using the effective interest rate method.
    - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
    - Impairment losses are presented as a separate line item in the statement of profit or loss.

Financial liabilities

- Amortised cost: Loans and borrowings
    - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
    - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
    - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
    - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
    - This category generally applies to interest-bearing loans and borrowings.

2.4.3 Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

Basis of preparation and material accounting policy information continued...

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

Other loans and receivables and Trade and other receivables

A forward-looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- The Group's risk of Expected Credit Losses is insignificant due to the nature of trade and other receivables and other loans and receivables. No significant increase in credit risk occurred since initial recognition and no default events occurred, no material expected credit losses are anticipated and therefore no expected credit losses are provided for within the next 12-months.

At every reporting date, the Group evaluates whether the debt instruments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. The internal credit rating of the debt instrument is reassessed during this evaluation. It is also considered whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

It is the Group's policy to measure expected credit losses on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

2.5 Exploration and evaluation assets

Exploration and evaluation assets are initially measured at cost. Expenditures which are reclassified as assets under the accounting policy for exploration and evaluation assets are as follows:

- topographical, geological, geochemical and geophysical studies
- exploratory drilling
- trenching
- sampling
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource

Expenditures related to the development of mineral resources are not recognised as exploration and evaluation assets, but capitalised to the relevant mineral resource's capital expenditure.

Basis of preparation and material accounting policy information continued...

Obligations for removal and restoration that are incurred during a particular period as a consequence of having undertaken the exploration for and evaluation of mineral resources are recognised as provisions and contingencies in accordance with the relevant policies.

Subsequently exploration and evaluation assets are measured using the cost model.

An exploration and evaluation asset is longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Such asset is capitalised to the relevant mineral resource's capital expenditure as part of Property, Plant and Equipment.

Exploration and evaluation assets are assessed for impairment, and any impairment loss recognised, before reclassification.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount the resulting impairment loss is recognised and disclosed in accordance with the policies for impairments for similar assets.

2.6 Inventories

Inventories comprise finished products, work in progress (WIP), plant spares and consumable stores and ore stock piles and are measured at the lower of cost and net realisable value, on a first-in-first-out basis.

The cost of finished goods and WIP comprises direct labour, other direct costs and fixed production overheads, but excludes finance costs. Costs are allocated to WIP based on the expected finished product output from the ore grade. Fixed production overheads are allocated based on normal capacity. Plant spares and consumable stores are capitalised to the statement of financial position and expensed to the statement of profit or loss as and when they are utilised. When inventories are sold, the carrying amount of inventories sold is recognised as part of net movement in finished product and WIP inventories within operating expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition as an expense

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.7 Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Basis of preparation and material accounting policy information continued...

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Basis of preparation and material accounting policy information continued...

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

2.8 Leases as lessee

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

The Group has elected not to apply the requirements of paragraphs 22 – 49 to either short-term leases or leases for which the underlying asset is of low value. Such leases includes leases of photocopiers.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition

At inception, a right-of-use asset and a lease liability is recognised.

Measurement

Right-of-use assets are initially measured at cost, comprising the amount of the initial measurement of the lease liability.

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right- of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Accounting Policies

Basis of preparation and material accounting policy information continued...

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the company's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

2.9 Provisions

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Provisions recognised by the Group consists of:

- Provision for employee benefits include:
  - o Leave pay provision, and
  - o Post retirement medical aid benefits
- Rehabilitation provision to rehabilitate areas previously mined

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.10 Revenue from contracts with customers

The group produces copper cathodes through a process with the Solvent Extraction Electro Winning (SX/EW) plant from copper oxide ore.

Copper cathodes are sold on an ex-works basis and revenue is recognised, when the product is collected by the customer, based on the ruling spot rates for copper as per the London Metal Exchange (LME) as well as the Rand : US-Dollar exchange rates.

Basis of preparation and material accounting policy information continued...

Revenue from sale of copper is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the copper.

2.11 Borrowing costs

Borrowing costs are interest that an entity incurs in connection with the borrowing of funds. IAS 23 - Borrowing Costs requires an entity to capitalise borrowing costs directly relating to the acquisition or construction of qualifying assets. A qualifying asset is an asset that takes a substantial period of time to construct and or get ready for its intended use. The group designates any asset with a construction period longer than 18 months as a qualifying asset in terms of IAS 23.

2.12 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
    - has control or joint control of the reporting entity;
    - has significant influence over the reporting entity; or
    - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
    - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1 Estimated impairment of goodwill

The group tests annually, or more frequently if there is an indicator of impairment, whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, applied to a forecast of financial information and extrapolated over a long-term period.(refer to note 6.2.1)

4. Changes in accounting policies and disclosures

Standards and Interpretations effective and adopted in the current year

In the current year, the company has adopted all new and revised IFRSs that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023.

Accounting Policies

Changes in accounting policies and disclosures continued...

At the date of authorisation of these financial statements for the year ended 29 February 2024, the following IFRSs were adopted:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments to IAS 1 and IFRS practice statement 2 Making materiality judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had an impact on the group's disclosures of accounting policies; the impacted policies have been updated. The amendments does lead to changes in disclosure as some notes can be removed and the disclosures are more group specific.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments to IAS 12 Income tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the group's consolidated financial statements.

New standards and interpretations not yet adopted

The group has not applied the following new, revised or amended pronouncements that have been issued by the IASB as they are not yet effective for the annual financial year beginning 1 March 2023 (the list does not include information about new requirements that affect interim financial reporting or first-time adopters of IFRS since they are not relevant to the group). The board of directors anticipates that the new standards, amendments and interpretations will be adopted in the group's financial statements when they become effective. The group has assessed, where practicable, the potential impact of all these new standards, amendments and interpretations that will be effective in future periods.

Amendments to IFRS 9 and IFRS 7 in terms of classification and measurement of financial instruments

The IASB issued Amendments to the Classification and Measurement of Financial Instruments in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures.

The IASB amended to the requirements related to:

- settling financial liabilities using an electronic payment system; and
- assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.
- disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.

At present, only the first amendment point above could potentially be applicable to the group, however if applied to the reporting period, will have no material impact on the group's consolidated financial statements.

Applicable to financial years commencing on or after 1 January 2026.

Accounting Policies

IFRS 18 – Presentation and disclosure in financial statements

IFRS 18 replaces IAS 1 and introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies:
- Improved comparability in the statement of profit or loss;
- Promotes transparency of management-defined performance measures;
- More useful grouping of information is allowed to enhance transparency and understandability.

When the standard is implemented it will:

a. Provide useful structured summaries of the group's assets, liabilities, equity, income, expenses and cash flows within the primary financial statements, and
b. Provide material information to supplement the primary financial statements

Applicable to financial years commencing on or after 1 January 2027.

IAS 1 – Presentation of financial statements

Amendments to IAS 1 to clarify how to classify liabilities as current and non-current.

Applicable to financial years commencing on or after 1 January 2024.

Notes to the Financial Statements

Figures in R'000	2024	2023

5. Property, plant and equipment

5.1 Balances at year end and movements for the year

	Land and buildings	Plant and equipment	Motor vehicles	Assets under construction	Total
Reconciliation for the year ended 29 February 2024					
Balance at 1 March 2023					
At cost	-	431	-	-	**431**
Carrying amount	**-**	**431**	**-**	**-**	**431**
Movements for the year ended 29 February 2024					
Additions from acquisitions	-	165,329	6,199	23,201	**194,729**
Additions at cost from business combinations	27,300	106,601	8,678	3,029	**145,608**
Accumulate depreciation from business combinations	-	(8,019)	(2,358)	-	**(10,377)**
Depreciation	-	(5,885)	(1,706)	-	**(7,591)**
Disposal accumulated depreciation	-	-	-	-	**-**
Property, plant and equipment at the end of the year	**27,300**	**258,457**	**10,813**	**26,230**	**322,800**
Closing balance at 29 February 2024					
At cost	27,300	271,207	14,877	26,230	**339,614**
Accumulated depreciation	-	(12,750)	(4,064)	-	**(16,814)**
Carrying amount	**27,300**	**258,457**	**10,813**	**26,230**	**322,800**
Reconciliation for the year ended 28 February 2023					
Balance at 1 March 2022					
At cost	-	431	-	-	**431**
Carrying amount	**-**	**431**	**-**	**-**	**431**
Closing balance at 28 February 2023					
At cost	-	431	-	-	**431**
Carrying amount	**-**	**431**	**-**	**-**	**431**

Registers containing details of land and buildings are available for inspection.

5.2 Capital Commitments

	2024	2023
Capital approved, not contracted for	29,189	-
Capital expenditure contracted but not recognised in the financial statements	15,327	-
Total	**44,516**	**-**

Notes to the Financial Statements

Figures in R'000	2024	2023

Property, plant and equipment continued...

5.3 Depreciation

Depreciation and impairment losses have been included under the following expenditures:

Other expenses (refer to note 26)		
Machinery	5,885	-
Motor vehicles	1,706	-
	7,591	**-**

5.4 Impairment assessment

In assessing whether there is any indication that assets may be impaired, the group considered the impact of increased market rates during the reporting period, which may affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially. An impairment test was performed, and no impairment was required.

6. Intangible assets

6.1 Reconciliation of changes in intangible assets

	Goodwill	Total
Reconciliation for the year ended 29 February 2024		
Balance at 1 March 2023		
At cost	-	**-**
Carrying amount	**-**	**-**
Movements for the year ended 29 February 2024		
Acquisitions through business combinations	432,900	**432,900**
Intangible assets at the end of the year	**432,900**	**432,900**
Closing balance at 29 February 2024		
At cost	432,900	**432,900**
Carrying amount	**432,900**	**432,900**

Figures in R'000	2024	2023

Intangible assets continued...

6.2 Disclosure of intangible assets material to entity

6.2.1 Calculation of goodwill arising on consolidation

Deemed consideration transferred	643,855
Equity issued at fair value	643,855
Net Copper 360 assets acquired at fair value	(210,955)
Goodwill	**432,900**

Qualitative description of goodwill

The goodwill arising on consolidation results from the market value placed on the combined business, which takes account of the future potential of both the concentrates and cathodes operations. The goodwill represents the benefit of vertical integration and pooling of resources to achieve scale in an efficient manner which would not have been achievable had the businesses remained separate. SHiP has mining rights in the Springbok area in the Northern Cape province in close proximity to Copper 360's operations. The Copper 360 group has existing copper cathode-producing operations, as well as premises, historically used for the purpose of copper mining and processing in the area. Copper 360 is in the process of constructing a concentrate plant that will enable it to produce copper concentrate from the sulphide ore that will be mined under the SHiP mining right.

Qualitative description of deemed consideration transferred

Total issued shares	629,692,119
Number of shares issued by Copper 360 to shareholders of SHIP	468,728,379
Number of SHIP shares obtained by Copper 360	190
Share exchange ratio (# of Copper 360 shares : 1 SHIP share)	2,466,991
% obtained by shareholders of SHIP	74.40%
% held by shareholders of Copper 360	25.60%
Fair value of shares in ZAR	R4.00
Fair value of deemed consideration transferred R'000	**643,855**

Qualitative description of mining right

SHIP is the holder of a mining right over more than 19 000 hectares in the Nama Khoi district. The right was granted on 31 October 2022 and allows for extraction of copper and other minerals. The mining right is valid until 30 October 2037, whereafter it may be renewed. The right was obtained at a nominal value.(refer to note 7.1)

Goodwill impairment test

No impairment indicators exists.

However, the recoverable amount of the group was determined with reference to the value in use of the underlying business units.

Key assumptions used in cash flow projections are:

- London Metal Exchange rate for copper starting at $9 252 per tonne and an exchange rate of ZAR19.08 per USD, adjusted annually based on purchase parity between estimated RSA (6%) and US (2.8%) inflation rates.
- Costs increased by 6% annual RSA inflation.
- Copper production rate at full capacity at steady state.
- Costs were estimated based on a combination of past experience, known industry norms and other appropriate estimations and assumptions.
- A forecast period of at least five years was considered.
- Future cash flows were discounted at a rate of 17.8%

Figures in R'000

7. Business combinations

7.1 Reverse takeover of Copper 360 by SHIP

During September 2022 Copper 360 entered into three agreements in terms of which it would acquire a 91% equity interest in Shirley Hayes IPK (Pty) Ltd ("SHIP") (the "Transactions") in exchange for shares in Copper 360. The Transactions establish Copper 360 as the holding company of a 91% equity interest in SHIP.

SHIP is the holder of a mining right over an area of 19 000 hectares in the Concordia region, near Nababeep. The SHIP assets are vast with identified mineralization of some 640 000 tonnes of contained copper. The vast majority of SHIP's copper inventory occurs at or near surface with existing mining infrastructure, which allows for low capital expenditure and fast production ramp-up. In addition to the copper inventory already delineated, there are over 50 prospects for exploration, where indicative data point to significant potential for future exploitation.

The Transactions established Copper 360 as a significant copper producer in the Northern Cape and will allow for significant capital expenditure savings and cost savings as opposed to the two sets of assets operating on a stand-alone basis.

The Transactions were conditional on the granting of a listing for Copper 360 on the Alt X Exchange of the JSE. Such listing was granted and Copper 360 was listed on the Alt X Exchange of the JSE on 21 April 2023 following the raising of additional share capital by way of private placement on 20 April 2023.

The total consideration for the acquisition of 91% of SHIP was 452 728 379 Copper 360 shares, issued at R4 per share for a total value of R1 811 million as follows:

	Number of Copper 360 shares		
Vendor	**Initial consideration (issued during financial year ended 28 February 2023)**	**Final consideration (issued on listing date**	**Total consideration**
SA Hayes	228,430,263	152,951,237	381,381,500
Orontro Investments (Pty) Ltd	7,769,737	5,202,423	12,972,160
Element 29 (Pty) Ltd	-	58,374,719	58,374,719
	236,200,000	**216,528,379**	**452,728,379**

On 9 March 2023 Copper 360 concluded an agreement with Thabiso Resources (Pty) Ltd to acquire a further 4% interest in the share capital of SHIP in exchange for 16 million Copper 360 shares to be issued on listing of Copper 360 at a price of R4 per share for a total consideration of R64 million. The Copper 360 shares were issued to Thabiso Botha Resources (Pty) Ltd on the listing date. Copper 360 thus became the owner of 95% of the issued share capital of SHIP on 21 April 2023.

The acquisition of SHIP is classified as a reverse acquisition. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes. The entity whose equity interests are acquired (the legal acquiree) is then identified as the accounting acquirer for the purpose of the transaction. This means that although Copper 360 acquired SHIP, the transaction had to be accounted for as SHIP acquiring Copper 360 in terms of IFRS 3 – Business Combinations.

SHIP therefore had to establish the fair value the identifiable assets acquired and liabilities assumed of Copper 360 at the acquisition date. These values are indicated in the table below.

Notes to the Financial Statements

Figures in R'000	2024	2023

Business combinations continued...

Historical cost and fair value statements of financial position of Copper 360 at acquisition date:

Figures in R'000	Carrying value	Fair value
Non-current assets		
Property, plant and equipment	104,578	104,578
Right of use assets	24,404	24,404
Investment in subsidiary	13,158	13,158
Other loans and receivables	27,831	27,831
Deferred tax assets	42,780	42,780
Total non-current assets	**212,751**	**212,751**
Current assets		
Inventories	2,463	2,463
Trade and other receivables	5,526	5,526
Current portion of other loans and receivables	1,743	1,743
Prepayments	6,477	6,477
Cash and cash equivalents	247,675	247,675
Total current assets	**263,884**	**263,884**
Total assets	**476,635**	**476,635**
Equity and liabilities		
Equity		
Issued share capital	278,188	278,188
Retained income / (accumulated loss)	(67,233)	(67,233)
Non-controlling interest in subsidiary	19,113	19,113
Total Equity	**230,068**	**230,068**
Liabilities		
Non-current liabilities		
Deferred tax liabilities	23,728	23,728
Other loans and payables	143,454	143,454
Leases	25,198	25,198
Total non-current liabilities	**192,380**	**192,380**
Current liabilities		
Provisions	1,367	1,367
Trade and other payables	46,216	46,216
Current portion of other loans and payables	2,205	2,205
Investments notes	4,399	4,399
Total Current liabilities	**54,187**	**54,187**
Total liabilities	**246,567**	**246,567**
Total equity and liabilities	**476,635**	**476,635**

The unaudited consolidated financial information reflects goodwill at acquisition based on the fair value of the consideration to the SHIP vendors and of the underlying net assets of Copper 360 as presented in note 6.2.1.

The preparation and presentation of consolidated financial statements under reverse acquisition principles are dictated by IFRS 3. B21 and B22. Application of these paragraphs mean that:

Notes to the Financial Statements

Figures in R'000	2024	2023

Business combinations continued...

These consolidated financial statements need to be issued under the name of the legal parent (Copper 360), but are actually a continuation of the financial statements of the legal subsidiary (SHIP), with one adjustment, which is to adjust retroactively the accounting acquirers (SHIP's) legal capital to reflect the legal capital of the accounting acquiree (Copper 360). It also means that the comparative information presented in these consolidated financial statements is retroactively adjusted to reflect the legal capital of the legal parent (Copper 360) see note 15.2.

Except for the adjustment mentioned above, the comparative information presented in the consolidated financial statements, is that of the legal subsidiary/ accounting acquirer (SHIP).

As the consolidated financial statements represent the continuation of the financial statements of the legal subsidiary (SHIP), except for its capital structure, the consolidated financial statements for the current year reflects the following:

- The assets and liabilities of the legal subsidiary (SHIP), which are recognised and measured at their pre-combination carrying amounts;
- The identifiable assets and liabilities of the legal parent/accounting acquiree (Copper 360), recognised and measured at their acquisition date fair values in accordance with IFRS 3;
- The retained earnings and other equity balances of the legal subsidiary/accounting acquirer (SHIP) immediately before the business combination.
- The amount recognised as issued equity interests in the consolidated financial statements is determined by adding the fair value of the legal parent/ accounting acquirer (Copper 360) to the issued equity of the legal subsidiary (SHIP) immediately before the business combination.

The fair value of Copper 360 was determined by measuring the fair value of the listed shares issued by the legal parent (Copper 360), as this method is considered to represent the most reliable measure of fair value that is available. However, the equity structure (i.e. the number and type of equity interests issued) reflects the equity structure of the legal parent/accounting acquiree (Copper 360). It therefore includes Copper 360's total equity instruments (i.e. those in existence before the combination, in addition to the equity instruments issued by Copper 360 to affect the combination). Accordingly, the equity structure of the legal subsidiary/accounting acquirer (SHIP) for the comparative period is restated using the exchange ratio established in the acquisition agreement, to reflect the number of shares issued by the legal parent/accounting acquiree (Copper 360) in the reverse acquisition. Even though the equity structure should be retrospectively adjusted, any shares issued or cash transferred as a result of the reverse acquisition is only to be reported in the consolidated financial statements at the time the transactions occur. Consistent with this financial statement presentation, the computation of earnings per share is also based on the capital structure of the legal acquirer (Copper 360).

Business combinations continued...

7.2 Acquisition of O'Okiep Copper Company Proprietary Ltd

The acquisition of 100% of the issued share capital of O'Okiep Copper Company (Pty) Ltd ("OCC") was completed on 8 May 2023 against a final cash payment of R10.2 million. The total cash purchase consideration amounted to R13.3 million. OCC owns several properties in the Nababeep and greater Springbok area as well as plant and equipment used for on-site logistics. As a result of this acquisition, the group gained ownership of established facilities and equipment, necessary for the expansion of its business activities. The following table summarises the acquisition date fair value of the consideration paid for O'Okiep Copper Company (Pty) Ltd:

Historical cost and fair value statements of financial position of Copper 360 at acquisition date:

Figures in R'000	Carrying value at 30 April 2023	Fair value at 30 April 2023
Non-current assets		
Property, plant and equipment	1,984	30,655
Deferred tax assets	8,329	8,329
Total non-current assets	**10,313**	**38,984**
Current assets		
Trade and other receivables	8	8
Cash and cash equivalents	21	21
Total current assets	**29**	**29**
Total assets	**10,342**	**39,013**
Equity and liabilities		
Equity		
Issued share capital	7,000	7,000
Share premium	43,982	43,982
Retained income/(accumulated loss)	(44,018)	(21,665)
Total Equity	**6,964**	**29,317**
Liabilities		
Non-current liabilities		
Deferred tax liabilities	277	6,595
Other loans and payables	2,790	2,790
Total non-current liabilities	**3,067**	**9,385**
Current liabilities		
Provisions	161	161
Trade and other payables	150	150
Total Current liabilities	**311**	**311**
Total liabilities	**3,378**	**9,696**
Total equity and liabilities	**10,342**	**39,013**

Notes to the Financial Statements

Figures in R'000	2024	2023

Business combinations continued...

Quantification of gain on bargain purchase	
Fair value of assets and liabilities assumed	35,633
Income tax effect of fair value adjustment	(6,318)
After tax fair value of assets and liabilities assumed	29,315
Consideration paid	(13,219)
Gain on bargain purchase	**16,096**

The gain on bargain purchase arises due to the difference between the historical cost of the properties and equipment owned by OCC and the fair market value thereof. The properties were acquired by OCC more than 50 years ago while the equipment was almost fully depreciated by OCC at the acquisition date. Fair values for the property, plant and equipment were obtained from independent third parties.

OCC results during current period:

During the reporting period OCC generated revenue of R4 116 884 and realised an operating loss of R748 299 with a loss after tax of R3 532 578. The loss after tax includes deferred tax movements of R3 012 703 that arose on s45 transfer of assets between subsidiaries of the group.

7.3 Cash and cash equivalents balances acquired through business combination

Copper 360 Limited	247,611
O’Okiep Copper Company (Pty) Ltd	21
Total	**247,632**

Figures in R'000	2024	2023

8. Exploration and evaluation assets

Reconciliation of changes in Exploration and Evaluation assets

	Exploration and evaluation assets	Total
Reconciliation for the year ended 29 February 2024		
Balance at 1 March 2023		
At cost	1,147	**1,147**
Carrying amount	**1,147**	**1,147**
Movements for the year ended 29 February 2024		
Drilling costs	3,797	3,797
Geological consulting costs	3,001	3,001
Laboratory costs	578	578
Professional fees	97	97
Employee costs	1,050	1,050
Exploration and evaluation at the end of the year	**9,670**	**9,670**
Closing balance at 29 February 2024, consisting of:		
Drilling costs	4,246	4,246
Geology consulting costs	3,001	3,001
Laboratory costs	578	578
Professional fees	97	97
Employees costs	1,050	1,050
Software costs	698	698
	9,670	**9,670**
Reconciliation for the year ended 28 February 2023		
Balance at 1 March 2022		
At cost	1,147	**1,147**
Carrying amount	**1,147**	**1,147**
Closing balance at 28 February 2023, consisting of:		
Drilling costs	449	449
Software	698	698
	1,147	**1,147**

Notes to the Financial Statements

9. Inventories

Inventories comprise:

Figures in R'000	2024	2023
Work in progress	1,272	-
Finished goods	2,021	-
Spares and consumables	6,449	-
Ore stockpiles	2,007	-
	11,749	**-**

10. Trade and other receivables

Trade and other receivables comprise:

Figures in R'000	2024	2023
Trade receivables	2,456	-
Sundry and other receivables	10,157	-
Value added tax (non-financial instrument)	18,712	-
Total trade and other receivables	**31,325**	**-**

The group has a short trade receivables cycle of up to three days. No expected credit losses have been raised in F2024 on debtors as the balance is considered recoverable. Save for amounts due from the South African Revenue Service, relating to VAT claims, all other trade and other receivables were received after the financial year ended.

Notes to the Financial Statements

Figures in R'000	2024	2023

11. Deferred tax

11.1 The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	102,768	7,690
	102,768	7,690
Deferred tax liabilities:		
- Deferred tax liability to be recovered after more than 12 months	(34,941)	-
	(34,941)	-
Net deferred tax assets	**67,827**	**7,690**

Details of set-off of deferred tax assets and liabilities		
Leave provision (refer to note 15)	930	-
Rehabilitation provision (refer to note 15)	782	
Right of use asset (refer not note 19.2)	7,714	-
Calculated tax loss	91,414	7,690
Deferred gain on fair value IFRS9 (refer to note 18.2)	1,928	-
Total deferred tax asset per the statement of financial position	**102,768**	**7,690**
Property, plant and equipment (refer to note 5)	(27,862)	-
Right of use liability (refer to note 19.1)	(7,079)	-
Total deferred tax liability per the statement of financial position	**(34,941)**	**-**

11.2 Reconciliation of deferred tax movements

	Deferred tax R	Total R
Opening balance at 1 March 2023	7,690	**7,690**
(Charged) / credited to profit or loss	39,320	**39,320**
Acquired through a business combination	20,817	**20,817**
Closing balance at 29 February 2024	**67,827**	**67,827**
Opening balance at 1 March 2022	-	**-**
(Charged) / credited to profit or loss	7,690	**7,690**
Closing balance at 28 February 2023	**7,690**	**7,690**

Notes to the Financial Statements

Figures in R'000	2024	2023

Deferred tax continued...

11.3 Deferred tax assets where utilisation is dependent on future taxable profits

Amount of the deferred tax asset raised where utilisation is dependent on future taxable profits	104,430	7,690

Deferred tax - tax losses

A deferred tax asset was recognised on the assessed loss in accordance with IAS12. Based on similar assumptions used to perform the impairment testing on goodwill (see note 6), the financial projection estimates sufficient taxable income to utilise the assessed loss within a period of five years.

12. Investments

Investments comprise the following balances

Nama Copper Resources Proprietary Limited	200,000	-

Details of acquisition of Nama Copper Resources Proprietary Limited

The group has entered into an agreement to acquire Nama Copper Resources (Pty) Ltd, a neighbouring company that operates a modular flotation plant to 34 produce copper concentrate from slag, in addition to owning significant tailings containing an estimated 80 000 tonnes of copper metal. The modular flotation plant was ready to accept ore from SHiP's mining operations and Copper 360 commenced commissioning for processing operations on 16 March 2024. It is expected that the Nama Copper plant will produce ca. 300 tonnes of copper per month. The purchase price for Nama Copper is R200 million, payable in cash. At the reporting date the group has not yet gained control of Nama Copper Resources (Pty) Ltd.(Refer to note 33).

13. Other loans and receivables

Other loans and receivables comprise the following balances

Prepayments and employee loans	2,342	44
Deposit in terms of Section 24(P) of National Environmental Management Act 107 of 1998 as amended	975	975
Mastomode Proprietary Limited (Plant Agent) This loan was advanced in September 2021 and the loan was transferred to the group in April 2023 and bears interest at 7% and is repayable in annual instalments of R2 501 142 over a period of 20 years.	25,891	-
	29,208	**1,019**
Non-current assets	28,468	1,019
Current assets	740	-
	29,208	**1,019**

Notes to the Financial Statements

Figures in R'000	2024	2023
14. Cash and cash equivalents		
Cash and cash equivalents included in current assets:		
Cash		
Cash on hand in South African Rands	814	2
Cash on hand in USD Dollar	21,318	-
	22,132	**2**

15. Issued capital

15.1 Authorised and issued share capital

	2024	2023
Authorised		
1 000 000 000 authorised shares	-	-
Issued		
698 351 660 issued shares	658,950	-

15.2 Share Reconciliation	2024 Number of shares	2023 Number of Shares	2024 Amount R000'	2023 Amount R000'
Shares issued - beginning of the period	356,382,291	98,783,236	-	-
Shares issued before reverse takeover	40,781,450	21,399,055	-	-
Shares issued during the year to effect the reverse acquisition (refer note 7)	232,528,379	236,200,000	643,855	
Treasury shares issued to subsidiary (33 857 849 shares)	33,857,849		137,880	
Other shares issued after the reverse takeover	34,801,692	-	103,095	-
Closing balance	**698,351,661**	**356,382,291**	**884,830**	**-**
Treasury shares	-	-	(137,880)	-
Share subject to buyback - treated as debt (refer to note 15.5 and note 18.3)	-	-	(88,000)	-
Effective share capital	**698,351,661**	**356,382,291**	**658,950**	**-**

Notes to the Financial Statements

Figures in R'000	2024	2023

Issued capital continued...

15.3 Shareholder analysis - 29 February 2024

Type of shareholder	Number of shareholders	Public	Non-public	Total shares held	Percentage of total shares held
Executive directors					
Total holding	4		391,914,746	391,914,746	56.1%
Placed in escrow for purposes of collateral			**(86,000,000)**	**(86,000,000)**	**-12.3%**
Collateral for long term loan			(31,000,000)	(31,000,000)	-4.4%
Securing collateral in respect of warrants to be created in favour of GEM Global Yield.			(55,000,000)	(55,000,000)	-7.9%
Net holding per register	**4**		**305,914,746**	**305,914,746**	**43.8%**
Non-executive directors	2		89,088,287	89,088,287	12.8%
Fund managers	3	30,078,424		30,078,424	4.3%
Companies	65	45,235,889		45,235,889	6.5%
Trusts	52	10,928,906		10,928,906	1.6%
Individuals	3541	97,247,559		97,247,559	13.9%
Escrow holdings	2		86,000,000	86,000,000	12.3%
Treasury shares	1		33,857,849	33,857,849	4.8%
Total	**3670**	**183,490,778**	**514,860,882**	**698,351,660**	**100%**
Percentage shares publicly held					26.3%
Percentage shares non-publicly held					73.7%

Shares placed in escrow by SA Hayes on behalf of Copper 360.
No person, other than a director holds more than 5% the issued share capital in the group.

15.4 Share incentive schemes

	2024	2023
Authorised		
Number of securities available to be utilised	40,000,000	-
Issued		
Number of securities issued during the financial year	-	-

The Group has a share incentive scheme in place. The scheme makes provision for up to 40 000 000 ordinary shares to be issued to employees and directors based on achievement of performance objectives. A maximum of 13 333 333 shares may be issued in one year and no participant may receive more than 1 000 000 shares. To date no shares have been issued in terms of the scheme.

Notes to the Financial Statements

Figures in R'000	2024	2023

Issued capital continued...

15.5 Issues of shares for cash

	2,024 Amount R000'	2,023 Amount R000'
Issue of shares for cash in terms of general authorisation:		
29 411 764 Shares were issued for cash to Differential Capital at R3.40 per share. (Refer to note 18.3)	100,000	-

16. Provisions

16.1 Provisions comprise:

	2024	2023
Provisions for employee benefits and rehabilitation	6,344	490
Provisions for employee benefits and rehabilitation	2,743	-
Non-current portion	**2,743**	**-**
Provisions for employee benefits and rehabilitation	3,601	490
Current portion	**3,601**	**490**
	6,344	**490**

16.2 Provisions for employee benefits and rehabilitation

	Leave pay provision	Post retirement medical contributions	Rehabilitation	Total R
Balance at 1 March 2023	**-**	**-**	**490**	**490**
New provisions	3,446	576	1,832	5,854
Total changes	3,446	576	1,832	5,854
Balance at 29 February 2024	**3,446**	**576**	**2,322**	**6,344**

17. Trade and other payables

Trade and other payables comprise:

	2024	2023
Trade payables	25,878	2,669
Payroll and other liabilities	6,895	-
Total trade and other payables	**32,773**	**2,669**

Notes to the Financial Statements

Figures in R'000	2024	2023

18. Other financial liabilities

18.1 Carrying amount of other financial liabilities by category

	At amortised cost R	Total R
Year ended 29 February 2024		
Other financial liabilities	514,779	**514,779**
Lease liabilities (Note 19)	29,136	**29,136**
Instalment sales agreements (Note 20)	3,193	**3,193**
Components listed under other financial liabilities on the statement of financial position	**547,108**	**547,108**
Trade and other payables excluding non-financial liabilities (Note 17)	32,773	**32,773**
Components listed separately on the statement of financial position	**32,773**	**32,773**
	579,881	**579,881**
Other financial liabilities comprise the following on the statement of financial position:		
Current portion	434,139	**434,139**
Non-current portion	145,742	**145,742**
	579,881	**579,881**
Year ended 28 February 2023		
Other financial liabilities	27,965	**27,965**
Components listed under other financial liabilities on the statement of financial position	**27,965**	**27,965**
Trade and other payables excluding non-financial liabilities (Note 17)	2,669	**2,669**
Components listed separately on the statement of financial position	**2,669**	**2,669**
	30,634	**30,634**
Other financial liabilities comprise the following on the statement of financial position:		
Current portion	27,965	**27,965**
	27,965	**27,965**

Notes to the Financial Statements

Figures in R'000	2024	2023

Other financial liabilities continued...

18.2 Other financial liabilities comprise:

	2024	2023
Unsecured loans		
Perpetual preference shares	19,113	-
Other interest bearing loans	109,871	-
Interest free loans	42,423	16,545
Long term loans	4,585	-
Royalty Loans	63,400	11,420
Obligation to invest in Nama Copper Resources Proprietary Limited (Refer to note 12)	69,500	-
Unrealised deferred gain on interest free loans	7,139	-
Secured loans		
Interest free loans	89,430	-
Royalty Loans	88,000	-
Other interest bearing loans	21,318	-
	514,779	**27,965**
Non-current portion of other financial liabilities comprise of:		
Perpetual preference shares	19,113	-
Other interest bearing loans	5,432	-
Interest free loans	(31,467)	-
Long term loans	4,250	-
Unrealised deferred gain on interest free loans	88,000	-
	115,215	**-**
Current portion of other financial liabilities comprise of:		
Other interest bearing loans	104,439	-
Interest free loans	73,890	16,545
Long term loans	335	-
Royalty Loans	151,400	11,420
Obligation to invest in Nama Copper Resources Proprietary Limited	69,500	-
	399,564	**27,965**
	514,779	**55,930**

Other financial liabilities continued...

18.3 Loan terms

Interest-free loans from related parties

Related parties have made interest-free loans to the Copper 360 group of companies totalling R 98.9 million. In terms of IFRS 9, such interest-free loans have been revalued on a fair value basis with an unrealized gain of R 12.6 million at the acquisition date (1 May 2024). The unrealized gain is released against the IFRS 9 interest charge according to the amortization of the interest-free loans. The IFRS 9 unrealized gain on interest-free loans above amounted to R7.139 million at the reporting date.

There are 4 categories of interest-free loans:

Certain short-term debt obligations of Cape Copper Oxide totalling R 14.8 million will be settled when due jointly by JP Nelson, SA Hayes, R Smith, and LAS Du Plessis in exchange for non- interest-bearing loans to Cape Copper Oxide. The debt is convertible into equity in a renewable power generation project which Copper 360 is currently assessing. Should the renewable power generation project not proceed before 28 February 2025, the loans will be ceded to Copper 360 for no consideration;

Certain interest-bearing debt from related parties was converted into non-interest-bearing debt totalling R 21.8 million with effect from 1 January 2023. These loans were provided to fund capital expenditure and general working capital requirements are interest-free and are repayable in amounts equal to not more than 6% of ordinary dividends paid by Copper 360. As Copper 360 is not expecting to declare dividends in the financial year to 29 February 2025, no repayments are expected in the next 12 months. The loans are unsecured; and

SA Hayes and Element 29 have provided Copper 360 with interest-free borrowings of R 62.365 million with effect from the date of listing of Copper 360 on the JSE. The loans are convertible into equity in the solar power generation project. Any balance remaining after capitalisation of the solar project will be repayable in 6 six-monthly cash instalments from the date that the decision is made regarding the capital structure of the solar project and will bear interest at the prime rate less 2% from that date.

Other interest-free loans totalling R 53 million were extended for working capital purposes and are to be settled within the financial year ending 28 February 2025.

Long-term loans

Cape Copper Oxide borrowed R 4.25 million in 2022, repayable on 30 April 2032. The interest on these loans is calculated as 1% of the revenue attributable to 24 tonnes of copper cathodes per R 1 million invested. The aggregate rate pertaining to these loans is 4.25% of revenue attributable to 24 tonnes of copper cathodes per month. The loans are unsecured.

Royalty loans

Copper 360 has raised short-term loans repayable six months after the date of capital receipt with a return in the form of royalties on revenue of the modular flotation plant currently under construction (“MFP 1”) at the rate of 1.5% of MFP 1 revenue per R 100 million of capital. The royalty rate applicable to the royalty loans at 29 February 2024 is 3.36% of MFP 1 revenue, payable monthly for 20 years from the date of capital receipt.

An amount of R88 million was borrowed from Differential Capital on the same terms as the royalty loans. In order to allow Differential Capital to make the loan to Copper 360, 25 882 353 shares were issued for cash under a general authority to Differential Capital with a buy-back obligation on the part of Copper 360 within 6 to 18 months after the effective date which was 26 February 2024. The share issue and corresponding buy-back obligation is treated as debt.(refer to 15.5)

Notes to the Financial Statements

Figures in R'000	2024	2023

Other financial liabilities continued...

Other interest-bearing loans

A US$ 4 million loan (equivalent to R 81.8 million at 29 February 2024) has been obtained from Handa Mining Corporation, bearing interest at 6% per annum. The loan is repayable in full by no later than 28 February 2025 and is unsecured.

A short-term loan of R 25 million bearing interest at 29% per annum was obtained from Beacon Rock Corporate Services. This loan was unsecured and was repaid subsequent to the financial year-end. The loan balance at yearend amounted to R28.0 million.

Copper 360 has borrowed R 21.4 million denominated in US Dollars from High West Capital Partners, repayable in a lump sum not earlier than 28 February 2027 and not later than 28 February 2029. The loan bears interest at a rate of 6% per annum, payable quarterly in arrears, and is secured by collateral of Copper 360 shares providing a minimum of 2 times capital cover. Subsequent to the financial year end, a further R 10 million was borrowed on the same terms. The collateral shares total 19 750 000 Copper 360 shares, borrowed from SA Hayes. It is the intention to replace the borrowed collateral with shares currently held in treasury by Cape Copper Oxide.(Refer to note 35)

Perpetual preference shares

Perpetual preference shares in the capital of Cape Copper Oxide (Pty) Ltd

	2024 Number of Shares	2023 Number of Shares	Amount R000'	Amount R000'
Authorised				
Class A (See note 1 below)	425,000	-	-	-
Class B (See note 2 below)	500,000	-	-	-
Class C (See note 3 below)	10,000	-	-	-
Issued				
Class A (See note 1 below)	225,000	-	4,521	-
Class B (See note below)	500,000	-	7,087	-
Class C (See note below)	10,000	-	7,505	-

The Class A preference shares are non-redeemable and non-convertible, and the issued shares are entitled to receive a total dividend equal to 8.82% of the EBITDA, of Cape Copper Oxide (Pty) Ltd. Preference dividends will be paid in perpetuity, provided that positive EBITDA is available from Cape Copper Oxide (Pty) Ltd.

The Class B preference shares are non-redeemable and non-convertible and are entitled to receive a total dividend equal to 8% of the EBITDA of Cape Copper Oxide (Pty) Ltd. Preference dividends will be paid in perpetuity, provided that positive EBITDA is available from Cape Copper Oxide (Pty) Ltd.

The Class C preference shares are non-redeemable and non-convertible. An initial dividend equal to 10% of EBITDA shall be declared and paid, until the initial dividends paid shall cumulatively be equal to the subscription price paid for the preference shares; whereafter a dividend equal to 5% of EBITDA will be declared and paid. Preference dividends will be paid in perpetuity, provided that positive EBITDA is available from Cape Copper Oxide (Pty) Ltd.

Notes to the Financial Statements

Figures in R'000	2024	2023

19. Lease liabilities

19.1 Lease liabilities comprise:

Mastomode Proprietary Limited	26,525	-
Refer to note 19.2 for lease terms		
Orcrest Properties (Pty) Ltd	2,611	-
Refer to note 19.2 for lease terms		
	29,136	**-**
Non-current liabilities	27,850	-
Current liabilities	1,286	-
	29,136	**-**
Interest expense on lease liability included in finance cost (refer to note 28)	1,887	-

19.2 Right-of-use assets

Buildings	2,924	-
Plant and equipment	23,295	-
	26,219	**-**

Right of use assets consist of:

Plant and equipment subject to a lease agreement. The lease agreement was entered into with a related party i.e. Mastomode Proprietary Limited to lease of plant and equipment for a lease term of 20 years.

Right of use assets: Buildings relate to corporate office buildings. The group entered into a 5 year lease agreement with Orcrest Properties (Pty) Ltd for the right of use of a corporate office building located in Stellenbosch.

19.2.1 Balances at year end and movements for the year

Balance at 1 March 2024	**-**	**-**
Movements for the year ended 29 February 2024	-	-
Additions from acquisitions	2,924	-
Additions at cost from business combinations	23,295	-
Right of use assets at the end of the year	**26,219**	**-**

19.2.2 Amounts recognised in the statement of profit or loss and other comprehensive income

Depreciation (refer to note 26)		
Buildings	731	-
Plant and equipment	1,104	-
Other expenses and gains		
Interest expense (refer to note 29)	1,887	-

Notes to the Financial Statements

Figures in R'000	2024	2023

Lease liabilities continued...

19.3 Amounts recognised in the statement of cash flows

Repayment of lease liability	1,922	-

20. Instalment sales agreements

20.1 Instalment sales agreements comprise:

Instalment sales agreement	3,193	-
Non-current portion of instalment sales agreements	2,677	-
Current portion of instalment sales agreements	516	-
	3,193	**-**

20.2 Maturity profile of instalment sale agreements

-Capital payment within 1 year	516	
-Capital payment from year 2 to year 5	2,677	
-Capital payments beyond 5 years	-	
	3,193	**-**

The instalment sale agreements have been entered into for the acquisition of motor vehicles. The vehicles are finance for a period of 36 months at a variable market related interest rate.

21. Revenue

Revenue comprises:

Sale of Copper cathodes	31,624	-

The group produces copper cathodes through a process with the Solvent Extraction Electro Winning (SX/EW) plant from copper oxide ore. All revenue was derived from a single offtake agreement and therefor no disaggregation is required.

22. Cost of sales

Cost of sales comprise:

Chemicals and consumables	2,127	-
Fuel and transport	6,427	-
Labour	35,018	-
Other direct costs	17,545	-
Repairs and maintenance	8,469	-
Total cost of sales	**69,586**	**-**

Notes to the Financial Statements

Figures in R'000	2024	2023

23. Other income

Other income comprises:

Advertising and sundry income	194	-
Gain on bargain purchase (refer to note 7.2)	16,095	-
Total other income	**16,289**	**-**

24. Administrative expenses

Administrative expenses comprise:

Accounting fees	581	50
Auditors remuneration - Fees	1,958	-
Computer expenses	1,441	-
Other	375	1
Total administrative expenses	**4,355**	**51**

25. Other expenses

Other expenses comprise:

Advertising	1,130	-
Consulting fees	8,397	1,012
Courier and postage	1,205	-
Depreciation - Property, plant and equipment (refer to note 5)	7,591	-
Depreciation - Right-of-use assets (refer to note 19.2)	1,835	-
Employee benefit expenses	20,186	-
Fines and penalties	608	-
General health and safety	257	-
General maintenance	106	-
General security cost	5,874	-
Insurance	512	-
Laboratory expense	2,640	-
Legal expense	2,857	-
Other expenses	2,941	570
Professional services	390	-
Revenue sharing (royalties) (refer to note 18.3)	4,616	-
Short term rentals	5,422	-
Travel - Local	1,327	-
Total other expenses	**67,894**	**1,582**

Notes to the Financial Statements

Figures in R'000	2024	2023

26. Other gains and (losses)

Other gains and (losses) comprise:

Gain or (loss) on foreign exchange differences on liabilities	(2,058)	-

27. Finance income

Finance income comprises:

Interest on short term investments	945	-
Interest on plant agent loan (refer to note 19.2)	1,490	-
Deferred fair value gain (refer to note 18.3)	5,442	-
Total finance income	**7,877**	**-**

28. Finance costs

Finance costs included in profit or loss:

Short term debt (refer to note 18.2)	4,499	-
Long term loans (refer to note 18.2)	8,016	87
Interest on lease liability (refer to 19.1)	1,887	-
Interest on Instalment Sale Agreements (refer to 20.1)	114	-
Other short term instruments (refer to note 18.2)	1,519	-
Total finance costs	**16,035**	**87**

29. Income tax (credit)

29.1 Income tax recognised in profit or loss:

Deferred tax		
Originating and reversing temporary differences	(39,320)	(465)
Total income tax (credit)	**(39,320)**	**(465)**

Notes to the Financial Statements

Income tax (credit) continued...

29.2 The income tax for the year can be reconciled to the accounting loss as follows:

Figures in R'000	2024	2023
Loss before tax from operations	(104,138)	(1,720)
Income tax calculated at 27.0%	(28,117)	(464)
Tax effect of		
- Penalties and interest South African Revenue Service	164	-
- Calculated tax loss	(1,221)	(1)
- Non-taxable IFRS9 finance income	(1,469)	-
- Non-taxable IFRS9 finance cost	1,836	-
- Gain on bargain purchase (refer to note 7.2)	(4,345)	-
- Deferred tax acquired through business combination IFRS 3	(6,168)	-
Tax charge	**(39,320)**	**(465)**

30. Earnings per share

30.1 Basic and diluted earnings per share

Figures in R'000	2024	2023
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the group for continuing operations	(64,772)	(1,255)
Earnings used in the calculation of basic and diluted earnings per share for continuing operations	**(64,772)**	**(1,255)**
Weighted average number of ordinary shares used in the calculation of basic earnings per share (refer to note 30.3)	607,350,907	493,398,294
Earnings / (loss) per share (Cents per share)	(10.7)	(0.3)

Additional disclosures

Basic and Dilutive earnings for the period are identical. The fully diluted weighted average number of shares in issue would be 670 471 815, taking account of 40 000 000 ordinary shares allocated to the Share Incentive Scheme. As the basic loss per share and headline loss per share calculation based on fully diluted weighted average shares in issue would result in a reduction of the undiluted loss and headline loss per share, no fully diluted loss and headline loss per share are presented.

Earnings per share continued...

30.2 Headline earnings per share	**2024 Gross Amount R'000**	**2023 Gross Amount R'000**	**2024 Net Amount R'000**	**2023 Net Amount R'000**
The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:				
Profit for the year attributable to owners of the group for continuing operations			(64,772)	(1,255)
IAS33 earnings			(64,772)	(1,255)
Less gain on bargain purchase	(16,095)	-	(11,749)	-
Earnings used in the calculation of headline earnings per share for continuing operations			**(76,521)**	**(1,255)**
Weighted average number of ordinary shares used in the calculation of headline earnings per share (refer to note 30.3)			607,350,907	493,728,379
Headline loss per share (Cents per share)			(12.60)	(0.3)

Additional disclosures

Basic and Dilutive earnings for the period are identical. The fully diluted weighted average number of shares in issue would be 670 471 815, taking account of 40 000 000 ordinary shares allocated to the Share Incentive Scheme. As the basic loss per share and headline loss per share calculation based on fully diluted weighted average shares in issue would result in a reduction of the undiluted loss and headline loss per share, no fully diluted loss and headline loss per share are presented.

Figures in R'000 2024 2023

Earnings per share continued...

30.3 Share issues during the financial year

Issue description	Number of shares	Date	Days	Weighted average number of shares
Before acquisition date	493,398,294	1-Mar-23	365	493,398,294
At acquisition date	136,293,825	1-May-23	304	113,515,953
Conversion of loan notes (GV Thompson)	1,527,777	29-Dec-23	62	259,513
Acquisition of OCC from CCOC	37,720,000	15-Feb-24	14	1,446,795
Treasury shares	(33,857,849)	15-Feb-24	14	(1,298,657)
Differential Capital	29,411,764	26-Feb-24	3	241,741
Differential Capital -Loan capital (Refer to note 18.3)	(25,882,352)	26-Feb-24	3	(212,732)
Total	**638,611,459**			**607,350,907**

The shares issued to Differential Capital include 25 882 353 shares that are subject to a buy-back obligation on the part of Copper 360 within a period of 6 to 18 months after the effective date. This structure was designed to enable the holder to provide short term funding on the same basis as the royalty loans referred to in note 18. The terms of the royalty component of the structure are identical to the royalty loan terms.

The number of share before the acquisition date is 493 398 294 shares and is calculated by applying the share exchange ratio of 2 466 992 Copper 360 share per SHIP share to the total number of SHIP shares.

Copper 360 had a total of 629 692 119 shares in issue, consisting of 136 293 825 ‘At Acquisition Date’ shares and 493 398 294 ‘Before Acquisition Date’ shares.

31. Segment information

31.1 General information

Segment information is presented in terms of the two major products that the Copper 360 group produces, namely Copper cathodes and Copper concentrate. Copper cathodes are produced from on-surface oxide rock stockpiles while Copper concentrate is produced from mining activities. During the financial year ended 29 February 2024, no Copper concentrate was produced, as the mine and associated flotation plant are presently under construction. Segment information is presented for both operating results and capital expenditure.

The application of Reverse Acquisition Consolidation in terms of IFRS 3 – Business Combinations requires that the comparative information for prior periods be presented for SHiP as the accounting acquirer. SHiP has prior to the acquisition only traded as necessary to secure its mining right and its prior period information is not representative of the financial performance of the group historically. In order to provide comparability between periods, the segmental analysis presented below presents the financial performance of the Copper 360 group on a full period comparable basis with a reconciliation to the above Statement of Profit or Loss and Other Comprehensive Income.

The group produces copper cathodes through a process with the Solvent Extraction Electro Winning (SX/EW) plant from copper oxide ore and therefor revenue was derived from a single offtake agreement and therefor no disaggregation is required between segments.

All productions assets of the groups segment are located in the Northen Cape of the Republic South Africa.

Notes to the Financial Statements

Figures in R'000

Segment information continued...

31.2 Financial results by segment

Consolidated Segment Analysis	Revenue	Gross Profit / (Loss)	Operating Expenses	Depreciation and amortisation	Operating Profit / (Loss)	Interest	Taxation	Profit / (Loss) after taxation
Year ended 29 February 2024								
Cathodes	38,234	(46,656)	(45,952)	(9,707)	(102,315)	(2,719)	28,173	(76,861)
Concentrates	-	-	(1,071)	-	(1,071)	(9)	158	(922)
Segment Total	**38,234**	**(46,656)**	**(47,023)**	**(9,707)**	**(103,386)**	**(2,728)**	**28,331**	**(77,783)**
Corporate expenses not allocated to segments	-	-	(24,511)	(754)	(25,265)	(5,832)	9,715	(21,382)
Less: Pre-acquisition results								
Cathodes	(6,610)	8,694	4,662	1,012	14,368	403	1,863	16,634
Concentrates								
Corporate expenses not allocated to segments	-	-	2,184	23	2,207	(1)	(589)	1,617
Other gains and (losses)								
Consolidation adjustments - gain from bargain purchase	-	-	-	-	16,096			16,096
Consolidated results for the financial year ended 29 February 2024	**31,624**	**(37,962)**	**(64,688)**	**(9,426)**	**(95,980)**	**(8,158)**	**39,320**	**(64,818)**

Notes to the Financial Statements

Figures in R'000

Segment information continued...

Year ended 28 February 2023								
Cathodes	33,348	(44,258)	(25,722)	(6,244)	(76,224)	2,692	21,670	(51,862)
Concentrates	-	-	-	-	-	-	-	-
Total other incomes and expenses	**33,348**	**(44,258)**	**(25,722)**	**(6,244)**	**(76,224)**	**2,692**	**21,670**	**(51,862)**
Corporate expenses not allocated to segments			(4,180)		(4,180)	(2)	997	(3,185)
SHIP expenses not allocated			(1,633)		(1,633)	(87)	464	(1,256)
Less: Pre-acquisition results								
Cathodes	(33,348)	44,258	25,722	6,244	76,224	(2,692)	(21,670)	51,862
Concentrates								
Corporate expenses not allocated to segments			4,180		4,180	2	(997)	3,185
Consolidated results for the financial year ended 29 February 2023	**-**	**-**	**(1,633)**	**-**	**(1,633)**	**(87)**	**464**	**(1,256)**

The Chief Operating Decision Maker for both segments reported on above is the Chief Executive Officer. His key focus is on segmental operating profit/(loss) and segmental capital expenditure, as the Group is still in the construction phase of its mining and processing assets.

Notes to the Financial Statements

Figures in R'000	2024	2023

Segment information continued...

31.3 Capital expenditure by segment

	Land and Buildings	Plant and Equipment	Vehicles	Assets under construction	Total
Year ended 29 February 2024					
Cathodes	-	130,831	6,423	-	137,254
Concentrates	27,300	129,817	8,706	26,230	192,053
Corporate	-	670	-	-	670
Total assets and liabilities	**27,300**	**261,318**	**15,129**	**26,230**	**329,977**

32. Related parties

32.1 Other related parties

Nature of relationship	Related Party
Shareholders with control of Copper 360 Group Limited	SA Hayes
Perpetual preference shareholders	JP Nelson
	R Smith
	LAS du Plessis
	AG Esterhuizen
	MH Mathe
	JAMS Investments Proprietary Limited
Entity controlled by director	Element 29 Proprietary Limited
	Handa Mining Corporation Proprietary Limited
	Mastamode Proprietary Limited
	JAMS Investements Proprietary Limited
	DUP Cubed Investments Proprietary Limited
	Cristral Illumine Konsult Proprietary Limited
	Basfour 2309 Proprietary Limited
	Mocoboking Proprietary Limited
	Darmaine Investments Proprietary Limited
Directors and key management Personnel	JP Nelson
	LAS du Plessis
	SA Hayes
	R Smith
	GV Thompson
	QNP Adams
	A van Niekerk
	MH Mathe
	MJA Golding

Notes to the Financial Statements

Figures in R'000	2024	2023

Related parties continued...

32.2 Compensation paid to directors and prescribed officers

2024 Name	Consulting Fees paid R	Salaries, bonuses and performance related payments	Total remuneration R
JP Nelson	750	2,250	3,000
LAS du Plessis	400	1,800	2,200
SA Hayes	450	1,350	1,800
GV Thompson	1,050	3,150	4,200
QNP Adams	120	1,260	1,380
Total compensation paid to directors and prescribed officers	**2,770**	**9,810**	**12,580**

2023 Name	Fees paid R	Salaries, bonuses and performance related payments	Total remuneration R
JP Nelson	-	3,000	3,000
LAS du Plessis	-	800	800
GV Thompson	-	1,050	1,050
Total compensation paid to directors and prescribed officers	**-**	**4,850**	**4,850**

32.3 Securities issued to directors and prescribed officers

2024 Name	Number of shares	Issued Price in ZAR	Amount in R'000
JP Nelson	11,249,866	4.00	44,999
LAS du Plessis	8,541,670	4.00	34,167
SA Hayes	136,881,166	4.00	547,525
R Smith	20,856,561	4.00	83,426
GV Thompson	1,527,777	2.88	4,400
Total securities issued to directors and prescribed officers	**179,057,040**	**3.99**	**714,517**

2023 Name	Number of shares	Issued Price in ZAR	Amount in R'000
JP Nelson	1,315,566	4.68	6,157
LAS du Plessis	1,315,566	4.68	6,157
LAS du Plessis	50,000	5.00	250
SA Hayes	228,430,263	4.00	913,721
R Smith	1,315,566	4.68	6,157
GV Thompson	50,000	5.00	250
Total securities issued to directors and prescribed officers	**232,476,961**	**4.01**	**932,692**

Related parties continued...

32.4 Details of service contracts

Name	Basic Remuneration R'000	Bonuses
JP Nelson	3,000	Discretionary – no guarantees
LAS du Plessis	2,200	Discretionary – no guarantees
SA Hayes	1,800	Discretionary – no guarantees
GV Thompson	4,200	Discretionary – no guarantees
QNP Adams	1,380	Discretionary – no guarantees

Figures in R'000 2024 2023

Related parties continued...

32.5 Related party transactions and balances

	Entity controlled by director	Key management personnel of the entity or its parent	Shareholders	Perpetual preference shareholders	Total
Year ended 29 February 2024					
Related party transactions					
Services received	-	3,158	-	-	**3,158**
IFRS9 Finance Income - Gain on fair value realised	2,240	-	3,202	-	**5,442**
Finance charges - Right of use	1,552	-	-	-	**1,552**
Finance charges	5,060	-	3,499	-	**8,559**
Finance income	1,490	-	-	-	**1,490**
Royalties paid	692	-	2,068	-	**2,760**
Outstanding balances for related party transactions					
Payroll and other liabilities (refer to note 17)	(472)	-	(1,216)	-	**(1,688)**
Outstanding loan accounts					
Interest free loans from related parties (refer to note 18.3)	(33,766)	-	(99,055)	-	**(132,821)**
Long term loans - Repayable 30 April 2032 (refer to 18.3)	(809)				**(809)**
Other interest bearing loans (refer to note 18.3)	(81,871)				**(81,871)**
Royalty loans (refer to note 18.3)	(30,300)				**(30,300)**
Perpetual preference shares (refer to note 18.3)	-			(8,198)	**(8,198)**
Lease liabilities (refer to note 19)	(26,565)				**(26,565)**
Other loans and receivables (refer to note 13)	25,891	-	-	-	**25,891**
Year ended 28 February 2023					
Outstanding loan accounts					
Interest free loans from related parties (refer to note 18.3)	-	-	(16,545)	-	**(16,545)**

33. Events after the reporting date

Financial completion of Nama Copper acquisition

Copper 360 made the final payments outstanding of R69.5 million to the vendors of Nama Copper during March and April 2024. Copper 360 commenced operations at the Nama Copper plant on 16 March 2024. The only outstanding condition to closing of the acquisition is the granting of ministerial consent in terms of S11 of the Mineral and Petroleum Resources Development Act.

Raising of capital	**R'000**
Subsequent to 29 February 2024 Copper 360 raised additional capital as follows in R'000:	
Royalty loans raised on substantially the same terms as royalty loans raised during the financial year	115,000
Share capital raised in terms of GEMS share subscription facility	4,000
Share capital raised by way of issue of shares for cash	15,000
Long term debt	62,000
Instalment sale agreements	61,074
Sale of treasury shares by Cape Copper Oxide (Pty) Ltd	44,825
Total	301,899

Operational events

Copper 360 commenced operations at the Rietberg mine from the beginning of August 2024, targeting 12 000 tonnes of ore extraction for the first month and building up to 45 000 tonnes per month by November 2024.

34. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Directors believe that the Group have adequate financial resources to continue in operation for the foreseeable future and accordingly the Consolidated Financial Statements have been prepared on a going concern basis.

The Directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient capital to meet its foreseeable cash requirements. After the reporting date, the Group has raised adequate equity and debt capital to fund its operations and short- and medium-term growth projects.

The Directors are not aware of any new material changes that may adversely impact the group. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

35. Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The group's risk management is predominantly controlled by the central Financial Department (Group Finance) under policies approved by the directors. Group Finance identifies, evaluates, and apply financial risk management procedures to mitigate financial risks identified.

Financial risk management continued...

35.1 Market risk

35.1.1 Foreign exchange risk

Exposure

The group's exposure to foreign currency risk at the end of the reporting period, expressed in expressed in South African Rands and US Dollar, was as follows:

The average exchange rate, ZAR:USD was $1:R18.68, for the year under review.

29 February 2024	ZAR R'000	US Dollar R'000
Cash and cash equivalents (refer to note 14)	21,318	1,110
Other interest-bearing loans (refer to note 18.3)	103,189	5,373

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/ZAR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments.

	Impact on post tax profit	
	2024	2023
	R	R
US/ZAR exchange rate – increase 10% *	9,198	-
US/ZAR exchange rate – decrease 10% *	(9,198)	-

* Holding all other variables constant

35.1.2 Interest rate risk

Exposure

The Group's exposure to interest rate risk is limited to funds held on deposit in current and call deposit accounts as well as funds borrowed, as detailed in note 14. Interest earned on deposits are linked to money market rates as applied by the financial institutions. Except for an unsecured loan of R2 685 000, bearing interest at LIBOR +5%, interest payable on borrowings are not linked to bank prime lending rates and are therefore not exposed to interest rate fluctuations in the market. Based on the financial instruments as at 28 February 2023, the after tax effect of a 1% movement in the interest rates on the Statement of Comprehensive Income would be immaterial on the balance of R66 000.

Financial risk management continued...

35.1.3 Commodity Price risk

Risk Exposure

Commodity price risk arises from the possible adverse effect of fluctuations in commodity prices on current and future earnings. Most of these prices are US dollar-based and are internationally determined in the open market. From these base prices, contracts are negotiated. The group does not actively hedge future commodity revenues of the commodities that it produces against price fluctuations.

The Group's revenue is affected by the ruling ZAR:USD exchange rate as well as London Metal Exchange ('LME') rate for copper on the date of each delivery. A 10% reduction in the foreign exchange rate (ZAR:USD) and LME rates realised would impact the after-tax loss with R2 308 552.

35.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

35.2.1 Risk management

Trade and other receivables, Cash and cash equivalents and other loans and receivables are exposed to credit risk.
Trade and other receivables (refer note 8) consist mainly of:
- Trade receivables
- Amounts receivable from related parties.

Trade receivables
Credit risk on trade receivables arise by granting of short-term credit to the customer. The following controls mitigate risk of default:
- An off-take agreement with the customer regulates delivery and payment terms, approved by the Chief Executive Officer.
- Credit terms are of short duration – only 3 days.
- Finished goods inventory is sold in small quantities, which mitigates potential losses.
- Should the customer default, supply will immediately be suspended.

Loss Allowance
No loss allowance was calculated as no credit loss was expected for the current financial year (2023: Rnil).

Cash and cash equivalents
Cash at bank represents funds available on current- and call accounts. These funds are held by financial institutions of good standing with a Standard & Poor's short-term counterparty rating of B.

Other loans and receivables
Credit risk on other loans and receivables consist of the current portion of a non-current receivable. The Group holds recourse over equipment leased from the same party. The credit risk is therefore low and no credit loss was expected for the current financial year (2023: Rnil).

Financial risk management continued...

35.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed centrally by the Chief Financial Officer through a combination of:

- Trading inventory and production inventory forecasts
- Cash flow forecasts
- Monitoring of daily cash available balances
- Capital project financial management
- Arrangement of current and non-current borrowing facilities
- Medium to long term financial projections

The Group has raised sufficient capital on the JSE AltX after the balance sheet date on 21st April 2023 to sustainably expand its operations during the 2024 financial year.

A maturity analysis for non derivative financial liabilities that shows the remaining contractual maturities are provided in note below.

Figures in R'000

Financial risk management continued...

35.3.1 Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

Contractual maturities of financial liabilities	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Year ended 29 February 2024							
Non-derivatives							
Trade and other payables excluding non-financial liabilities (Note 17)	-	32,771	-	-	-	**32,771**	**32,771**
Interest free loans from related parties (refer to note 18.3)	-	38,877	-	-	92,977	**131,854**	**42,423**
Long term loans - Repayable 30 April 2032 (refer to 18.3)	-	-	335	-	4,250	**4,585**	**4,585**
Other interest bearing loans (refer to note 18.3)	-	114,783	-	-	28,528	**143,311**	**109,871**
Royalty loans (refer to note 18.3)		151,400				**151,400**	**151,400**
Perpetual preference shares (refer to note 18.3)					19,113	**19,113**	**19,113**
Lease liabilities (Note 19)	440	2,996	3,506	9,802	33,232	**49,976**	**29,136**
Instalment sales agreements (Note 20)	435	435	870	2,465	-	**4,205**	**3,193**
Total non-derivatives	**875**	**341,262**	**4,711**	**12,267**	**178,100**	**537,215**	**392,492**

36.4 Capital risk

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities to maximise stakeholder returns sustainably.

Figures in R'000

Financial risk management continued...

The company manages capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising several measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The group's gearing ratio is calculated as follows:

Borrowings	547,108	27,965
Current Liabilities	32,773	2,669
Total borrowings	**579,881**	**30,634**
Cash and cash equivalents	(22,132)	(2)
Nett borrowings	**557,749**	**30,632**
Equity	**572,228**	**(20,815)**
Gearing Ratio	**97%**	**-147%**

The target gearing ratio is 50% at steady state operations. The Group is planning to reduce the gearing ratio to the target ratio over the following two years.

Notes to the Financial Statements

Figures in R'000	2024	2023
36. Cash flows from operating activities		
Loss for the year	**(64,818)**	(1,255)
Adjustments for:		
Income tax expense	(39,320)	(465)
Finance income	(7,877)	-
Finance costs	16,035	87
Depreciation and amortisation expense	9,426	-
Impairment losses and reversal of impairment losses recognised in profit or loss	(3)	-
Gains and losses on foreign exchange realised in profit or loss	2,058	-
Change in operating assets and liabilities:		
Adjustments for increase in inventories	(9,287)	-
Adjustments for increase in trade accounts receivable	(2,456)	-
Adjustments for decrease in prepayments	7,847	-
Adjustments for increase in other operating receivables	(29,882)	-
Adjustments for decrease in trade accounts payable	(13,912)	-
Adjustments for increase in other operating payables	2,160	-
Net cash flows from operations	**(130,029)**	**(1,633)**

Figures in R'000

37. Changes in liabilities arising from financing activities

Other financial liabilities	Classification on cash flow statement	Summary classification	2024	Effect of changes in foreign exchange rate	Effect of changes in fair values	Cash flows from financing activities	Other changes	2023	Effect of changes in foreign exchange rate	Effect of changes in fair values	Cash flows from financing activities	Other changes	2022
Other financial liabilities	Financing	Borrowings	(514,779)	(2,058)	(7,139)	(216,106)	(261,511)	(27,965)	-	-	(142)	(27,823)	-
Lease liabilities	Financing	Leases	(29,136)	-	-	1,922	(31,058)	-	-	-	-	-	-
Instalment sales agreements	Financing	Borrowings	(3,193)	-	-	31	(3,224)	-	-	-	-	-	-
			(547,108)	**(2,058)**	**(7,139)**	**(214,153)**	**(295,793)**	**(27,965)**	**-**	**-**	**(142)**	**(27,823)**	**-**