

Copper 360 Limited
(Formerly Big Tree Copper Limited)
(Incorporated in the Republic of South Africa)
Registration number 2021/609755/06
JSE Share Code: CPR ISIN: ZAE000318531
("Copper 360" or "the Company")

SHORT FORM ANNOUNCEMENT: KEY HIGHLIGHTS FROM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR SIX MONTHS PERIOD ENDED 31 AUGUST 2023, OPERATIONAL OVERVIEW AND CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2023

KEY HIGHLIGHTS FROM CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR SIX MONTHS PERIOD ENDED 31 AUGUST 2023

- Significant maiden Measured and Indicated Mineral Resource statement of 60,800 tonnes of contained copper metal at Rietberg Mine resulting in higher than originally planned production output requiring a new mine design and increased capital requirement of R95 million.
- Re-design of Modular Flotation Plant ("MFP 1") from processing copper slag and sulphide ore to a circuit only treating sulphide ore as a result of increased mine production planned from Rietberg Mine.
- Construction of Modular Flotation Plant ("MFP 1") remains on schedule and within budget to start production in Q4 2024 FY with contained copper output capacity now forecast to increase by 105% to 7,975 tpa compared to original plan of 3,899 tpa.
- Increased production performance from SX/EW (tonnes increased by 145%, grade increased by 3% and recoveries increased by 7%) compared to the previous reporting period.
- Loss attributable to shareholders compared to the previous reporting period being reduced by 84% from R31.6m to R4,9m.

Jan Nelson, CEO of Copper 360, South Africa's only listed copper producer, commented: "The significant increase in the Mineral Resource at the Rietberg Mine required the team to rethink and redesign the processing plant and mine. The net effect was that contained copper production now possible from the Rietberg mine could be increased from 3,899 tons of contained copper to 7,975 tons of contained copper. This more than doubles production from copper concentrate and such a massive increase in copper production left us no choice but to change our plan. The fact that we could do this and remain within our delivery timeframe is a testament to the resilience and competency of our entire team. MFP1 was therefore changed to only process copper sulphide ore from Rietberg and the decision was made not to process any copper slag. This results in higher recoveries and better grades in turn resulting in increased production without any increase in processing capital spend. We were however required to increase capital spend on Rietberg mine by R95 million. This decision was not a difficult one to motivate in the light of copper concentrate contribution in terms of EBITDA for 2025 FY increasing from an original forecast of R360 million to R570 million as the mine would yield approximately 496,000 tons of ore compared to 120,000 tons of ore per annum.

Our loss has narrowed as production ramps up and capital expenditure comes to an end. The post period acquisition of Nama Copper Resources Proprietary Limited ("Nama Copper") further ensures we remain on track to deliver significantly improved production with a major reduction in execution build and delivery risk. The 2025 FY will see the Company target EBITDA in excess of R650 million together with major resource upgrades to improve mining flexibility and growth."

OPERATIONAL OVERVIEW

Strategic developments

The first six months of the current financial year have been a watershed for Copper 360. The merger with Shirley Hayes-IPK (Pty) Ltd (“SHIP”) via a reverse takeover was completed simultaneously with the listing of Copper 360 on the Alt X of the JSE on 21 April 2023 and an equity capital raising by way of private placement of R157.5 million. Together with interest-free loans provided by the founding shareholders, a total of R215 million of capital was secured for the growth strategy centred around establishing profitable copper cathode and concentrate operations. The acquisition of O’Okiep Copper Company (“OCC”) was also completed following the listing of Copper 360.

Since listing, construction of the modular flotation plant (“MFP 1”) to process sulphide ore has started and remains on track to be completed within budget. The planning for Rietberg mine was also completed, following a significant resource upgrade. This resulted in a vastly different mine plan compared to the original plan, with significantly higher ore production rates over the life of the mine. As a result of the revised Rietberg mine plan, it was decided to redesign MFP 1 to a single sulphide focused high-grade circuit, eliminating the low-grade circuit originally planned to process slag resources. The redesigned plant is still expected to be completed within the original budget but will deliver greater concentrate volumes (with forecast production of 4380 tons of copper metal compared to 3,899 tons of copper metal for 2025 FY) than originally envisaged.

On 29 November 2023 it was announced that Copper 360 would acquire Nama Copper. This acquisition provides Copper 360 with an immediately available sulphide processing plant (designated MFP 2) capable of milling 240,000 tonnes of ore per annum forecasting production of 3,595 tonnes of copper metal for 2025 FY. The agreement provides Copper 360 with immediate capability to operate MFP2 and it is anticipated that production will commence during December 2023. Together with the modular flotation plant currently being constructed (MFP 1) contained copper production at steady state (including MFP 2) for 2025 FY will be 7,975 tonnes contained copper per annum.

As at 31 August 2023, total capital spent amounted to R120 million of which R93 million was spent on MFP 1 and the Rietberg mine, with R27 million spent on SX/EW plant optimization projects. The capital expenditure includes R31 million to acquire a new crushing plant which will provide crushing capacity to both the oxide and sulphide processing plants. This capital expenditure was necessitated by the inability of the third-party crushing contractor to continue providing crushing services at the standards and volumes required.

The Rietberg mine redesign will require additional capital expenditure of ca. R160 million as a first phase compared to the original estimate of R65 million. This will result in an extraction rate of 495,701 tonnes per annum compared to the original 120,000 tonnes per annum. It is intended to invest further capital once MFP 1 and MFP 2 achieves commercial production to construct a third flotation plant (MFP 3) during Q4 of 2025 FY to increase the annual extraction rate by a further 360,000. This will see annual contained copper production from copper concentrate increase from 7,975 tonnes forecast for 2025 FY to 14,778 forecast for 2026 FY. In addition, copper cathode production from the SX/EW plant is forecast to increase production from 1,815 in 2025 FY to 2,043 tons per annum in 2026 FY. Total contained copper production for the Copper 360 Group is therefore forecast to increase from 9,789 tonnes per annum in 2025 FY to 16,821 tonnes in 2026 FY.

Mineral resource updates

The Company announced a significant increase in the SAMREC (South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves) compliant Mineral Resource Estimate for the Rietberg Mine that is located within the northern portion of the SHIP Mining Right Licence some 22km north of the town of Springbok in the Northern Cape Province of South Africa during the period under review. The

Resource upgrade is the result of confirmation drilling and underground sampling and geological modelling in Micromine (3D Geological Modelling Software package) of 1,013 surface and underground drillholes totalling some 3,450m of drilling and representing 33,323 assays.

RIETBERG MINE RESOURCE	Measured			Indicated			Inferred		
	Tonnes	% Cu	Contained Cu	Tonnes	% Cu	Contained Cu	Tonnes	% Cu	Contained Cu
October 2022							1 139 729	2,22%	25 275
August 2023	4 500 000	1,28	57 600	282 000	1,16	3 200	2 000 000	1,02%	20 400

RIETBERG MINE RESOURCE	Measured & Indicated			Total Resource		
	Tonnes	% Cu	Contained Cu	Tonnes	% Cu	Contained Cu
October 2022				1 139 729	2,22	25 275
August 2023	4 782 000	1,27	60 800	6 782 000	1,20	81 200

Table 1: Table showing latest Mineral Resource for Rietberg Mine compared to the Mineral Resource stated in the Competent Persons Report ('CPR') with effective date 31 October 2022. Numbers may not add up due to SAMREC guidance on rounding in terms of Mineral Resource reporting. The Resource is stated at a 0,75% cut-off.

A maiden declaration of 57,6kt (2023: 4,5Mt @ 1,28%) of contained copper for the Measured category and 3,2kt (282kt @ 1,16%) for the Indicated category is stated.

Statement on reasonable prospect of economic mineral extraction

- Mine design on Rietberg Mine is described in the CPR (Competent Persons Report, a copy of which is available on the Company website) and was the basis on which a cut-off of 0,75% was determined as measure of economic viable extraction.
- Metallurgical test work has been completed and shows recoveries of 90% through flotation (please refer to JSE SENS release dated 4 July 2023).
- Copper 360 is in the process of completing construction of flotation plant which will process Rietberg ore with the plant scheduled for commissioning in Q4 2023.
- Mine opening-up is underway with first development scheduled for Q4 2023.

Aspect	Status	Competent Person's Reasonable & Appropriate Consideration
Geological Assumptions	SAMREC compliant	All aspects meet required and accepted criteria
Mining Engineering	Mine Design	Detailed Mine & Geotechnical Study in place/Mine opening underway
Processing & Metallurgical	Completed	Metallurgical test work in place and plant construction almost complete
Legal	Active Mining Licence	No legal impedence
Infrastructure	In place	All infrastructure in place and in good working condition
Marketing	In Place	Required offtake agreements in place
Socio-political	Addressed	All issues addressed and required Social & Labour Plan active
Economic Assumptions	Viable	Based in most cases on actual relevant operational metrics
Other	None	No other issues that would stop economic extraction

Table 2: Competent Person's short summary of application of appropriate consideration factors regarding eventual economic extraction of Mineral Resource. The list only provides an overview as a guidance note to the reader in terms of those headline issues specified by SAMREC code to show that due consideration has been given. For detail in this regard the reader is referred to the CPR dated 31 October 2022.

The Company intends to declare a Maiden Reserve for the Rietberg Mine by Q4 of 2024 FY together with a maiden Resource for newly discovered Cousin Jack (at the Wheal Julia prospect) deposit. The Company is also planning a major upgrade to the Group Inferred Resource in Q2 of 2025 FY.

Operational Highlights – copper cathode production

- Volume treated compared to the previous period increased by 145% to 42 337 tons (2022: 17 307).
- Copper sold increased by 168% to 212 metric tons sold compared to previous period (2022: 79Mt).
- Productivity increased by 51% to 218 milled tons per person (2022: 144t/man) despite a 51% increase in total labour complement to 194 people (2022: 120 people).
- Ex-works sales value per tonne sold increased by 7% as a result of the ZAR:USD exchange rate weakening by 17% which offset a 6% reduction in the average LME copper price compared to the corresponding six months.

Description	Unit	6 Months 31 Aug 23	6 Months 31 Aug 22	Percentage change	12 months 28 Feb 23
Statistical information					
Tons milled	Metric tons	42 337	17 307	145%	67 045
Delivered grade	% copper	1.15%	1.12%	3%	0.88%
Total plant recovery	%	43.5%	40.9%	7%	48.0%
Recovered copper	Metric tons	211.9	79.2	168%	284.7
Number of people employed	N	194	120	62%	145
Tons milled per total labour complement	Mill tons/person	218	144	51%	462.38
Copper tons sold per labour complement	Metric tons/person	0.97	0.55	77%	1.96
Average copper price received	ZAR'000/metric ton	121.30	113.60	7%	117.13
Average exchange rate	ZAR:USD	18.53	15.78	17%	16.54
Average LME copper price	USD/metric ton	8 536	9 100	-6%	8 676
Average USD copper price received	USD/metric ton	6 546	7 199	-9%	7 082
Discount to LME for ex works (USD)	USD/metric ton	1 990	1 901	5%	1 594
Discount to LME for ex works (ZAR)	ZAR/metric ton	36 877	30 000	23%	26 365
Discount to LME as percentage of LME	%	23.3%	20.9%	12%	18.40%
Financial information*					
Revenue	R'000	25 958	8 995	189%	33 348
Operating profit/(loss)	R'000	(61 535)	(39 889)	54%	(80 707)
Other income	R'000	9 981	(1 606)	-721%	2 213
Profit/(loss) after tax	R'000	(39 431)	(31 685)	24%	(78 494)
Consolidation adjustments	R'000	34 468	-	-	-
Loss attributable to shareholders	R'000	(4 963)	(31 685)	-84%	(78 494)
Loss per share (EPS)	Cents	(0.79)	(31.8)	-98%	(38.9)
Headline loss per share (HEPS)	Cents	(0.79)	(31.8)	-98%	(37.6)

* The financial information presented above relates to the operating performance of the Copper 360 group as a whole for the six months to 31 August 2023. The reverse takeover by SHIP and the acquisition of O'Okiep Copper occurred on 21 April 2023 and accordingly, the operating results for the period from 1 March 2023 to 30 April 2023 have been reversed for consolidation purposes. Refer to the explanatory notes following in the unaudited condensed consolidated financial information below.

Tons milled for the six months under review increased by 145% to 42 337 tons compared to the prior period (2022: 17 307t) with copper grade increasing by 3% from 1.12% to 1.15%. This resulted in copper recovered and sold increasing by 168% to 211.9 metric tons compared to the previous reporting period (2022: 79.2 Mt).

The average effective copper price received increased by 7% to ZAR121.3k/Mt of Copper metal sold (2022: ZAR113.6k/Mt). Although the LME copper price decreased by 6% to USD8 536/Mt compared to the previous

period (2022: USD9 100/Mt) the ZAR: USD exchange rate weakened during the same comparable period by 9% to 18.53 (2022: 15.78). Coupled with increased transport costs the effective discount to the LME price received ex-works increased by 12% to 23.3% (2022: 20.9%).

Revenue increased by 189% to R25.958 million (2022: R8.995 million) while the operating loss increased by 54% to R61.5 million (2022: R39.9 million). Operating expenses increased by 78% to R87.5 million (2022: R48.9 million). The operating expense increase was as a result of increased production tonnages and increased manning to operate the greater throughput.

Cathode production during the period under review was significantly impacted by load shedding and copper recoveries challenges. Load shedding affected the operation severely with damage to generator equipment and production losses due to switch over pipe congestion in addition to increased direct diesel expenditure. It is estimated that some 48 tonnes of cathode production have been lost to load shedding. Additional generator capacity has been installed and Copper 360 has commenced a process to consolidate all its standby generator capacity in a centralised generator facility to provide backup power to the entire complex at Nababeep.

The most significant impact on production was the fact that copper recoveries at 43.5% was far below the planned 71%. This was the result of mainly two factors:

- Inefficient crushing
The third-party crushing contractor was unable to crush ore to the required size for feeding to the mill, with around 25% of crushed ore presenting at the milling stage in the form of fine materials that could not be recovered during the milling stage. This situation resulted in the decision to implement our own crushing capability as mentioned above.
- Inefficient fine materials recovery
Regardless of crushing efficiency, there is always a component of fine materials present in the crushing and milling process, we have inserted an intermediate stage in the processing plant using counter-flow cyclones to recover fine materials.

During August 2023, a critical mill failure occurred, resulting in the loss of some 14 days of production during the month. As the redesign of the modular flotation plant freed up one mill, it was decided to replace the failed mill with the freed-up mill with four times the capacity, simultaneously with the introduction of the cyclone circuit in the plant. The new mill and the cyclone circuit required significant civil works which necessitated a complete plant shut for 11 weeks. The upgraded plant was brought back into production on 22 November 2023. It is expected that the upgraded SX/EW plant will now produce ca. 100 to 120 tonnes of copper cathode per month. A further upgrade in the form of a thickener circuit and expansion of the solvent extraction and electrowinning circuits to increase production to ca. 180 tonnes per month is planned for the second quarter of calendar year 2024.

Revision to forecast financial information

Copper 360 included forecast financial information for the financial years ending 29 February 2024 and 28 February 2025 in its pre-listing statement. The redesign of the Rietberg mine and the first modular flotation plant coupled with the acquisition of Nama Copper have rendered such forecasts obsolete. Accordingly, Copper 360 has developed a revised forecast which has been reviewed by Moore Infinity and is summarised below.

R'000	Financial years ending								
	29 February 2024			28 February 2025			28 February 2026		
	Cathodes	Concentrates	Total	Cathodes	Concentrates	Total	Cathodes	Concentrates	Total
Revenue									
PLS forecast	169 780	292 744	462 524	180 144	519 600	699 744	-	-	-
Revised forecast	75 560	86 152	161 712	290 447	1 143 962	1 434 409	351 277	2 238 840	2 590 117
Profit/(loss) before tax									
PLS forecast	33 447	197 373	230 820	43 046	338 472	381 518	-	-	-
Revised forecast	(25 739)	41 457	15 718	89 517	412 855	502 372	127 230	944 464	1 071 694
Profit attributable to shareholders									
PLS forecast	15 495	143 225	158 720	21 935	232 468	254 403	-	-	-
Revised forecast	(10 459)	28 751	18 292	50 783	327 724	378 507	67 864	699 815	767 679
Basic earnings/(loss) per share (cents) (undiluted)									
PLS forecast	2.5	23.5	26.0	3.5	36.8	40.3	-	-	-
Revised forecast	(1.7)	4.6	2.9	8.1	52.0	60.1	10.6	108.8	119.4
Headline earnings/(loss) per share (cents) (undiluted)									
PLS forecast	2.5	23.5	26.0	3.5	36.8	40.3	-	-	-
Revised forecast	(1.7)	4.6	2.9	8.1	52.0	60.1	10.6	108.8	119.4
Basic earnings/(loss) per share (cents) (fully diluted)									
PLS forecast	2.5	23.0	25.4	3.3	35.3	38.7	-	-	-
Revised forecast	(1.6)	4.3	2.7	7.6	48.9	56.5	10.1	104.5	114.6
Headline earnings/(loss) per share (cents) (fully diluted)									
PLS forecast	2.5	23.0	25.4	3.3	35.3	38.7	-	-	-
Revised forecast	(1.6)	4.3	2.7	7.6	48.9	56.5	10.1	104.5	114.6

The detailed forecast together with explanatory notes and Moore Infinity's Review Report thereon is available on Copper 360's website: www.copper360.co.za/investor-relations.

UNAUDITED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 AUGUST 2023

	31 August 2023	31 August 2022	Percentage
Revenue (R'000)	19 347	-	Not measurable
Loss for the period (R'000)	(4 964)	(71)	-6891.6%
Loss per share (EPS) (Cents)	(0.79)	(0.01)	-7 800%
Headline loss per share (HEPS) (Cents)	(0.79)	(0.01)	-7 800%

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 acquiror. 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 historical financial performance of the group. The loss per share for the comparative period represents SHIP's loss for the respective periods divided by the same weighted average shares in issue as the interim period to 31 August 2023, as SHIP only had 200 shares in issue prior to the reverse takeover. Refer to the full interim results announcement as available below.

SHORT FORM ANNOUNCEMENT

This short form announcement is the responsibility of the directors and is only a summary of the full announcement released on SENS on 30 November 2023.

This short form announcement does not contain full or complete details pertaining to the Company's results. Any investment decisions by investors and/or shareholders should therefore be based on consideration of the full announcement which may be downloaded from the Company's website at www.copper360.co.za/investor-relations/ and may be viewed at the registered offices of the Company and of the designated advisor or is available electronically by sending a request to micel@copper360.co.za, at no charge, during normal business hours for a period of 30 days after the release of this announcement. The full announcement is also available on the JSE's website at:

<https://senspdf.jse.co.za/documents/2023/JSE/ISSE/CPRE/FY2024H1.pdf>

This short-form announcement itself is not audited or reviewed.

Stellenbosch

30 November 2023

Designated Advisor: Bridge Capital Advisors (Pty) Ltd