

**Copper 360 Ltd**  
**(Registration Number 2021 / 609755 / 06)**  
**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: 13 December 2024

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Index

---

	<b>Page</b>
General Information	2 - 3
Directors' Responsibilities and Approval	4
Directors' Report	5 - 6
Independent Auditor's Report	7 - 11
Statement of Financial Position	12
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Accounting Policies	16 - 22
Notes to the Financial Statements	23 - 46

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## General Information

---

<b>Country of Incorporation and Domicile</b>	South Africa
<b>Registration Number</b>	2021 / 609755 / 06
<b>Registration Date</b>	12 May 2021
<b>Nature of Business and Principal Activities</b>	The company is the holding company for a group of companies that produce copper cathodes and are developing several projects to produce copper concentrate.
<b>Board of Directors</b>	JP Nelson LAS du Plessis SA Hayes R Smith GV Thompson QNP Adams A van Niekerk MH Mathe MJA Golding (Appointed 4 September 2023)
<b>Registered Office</b>	1 Main Road Nababeep Northern Cape 8265
<b>Business Address</b>	Building B1 Vineyard Office Park Stellenbosch 7600
<b>Postal Address</b>	Building B1 Vineyard Office Park Stellenbosch 7600
<b>Bankers</b>	First National Bank
<b>Tax Number</b>	9337865225
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## General Information

---

### Company Secretary

Phillip Venter Attorneys  
449 A Rodericks Street  
Lynnwood  
Pretoria  
0081

### 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## 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 financial statements and related financial information included in this report. It is its responsibility to ensure that the 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 company, and explain the transactions and financial position of the business of the company at the end of the financial year. The financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

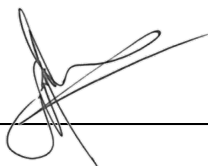
The board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board of directors 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 company and all office bearers are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

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

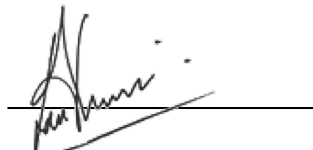
The board of directors is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial 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 company will not be a going concern in the foreseeable future. The financial statements support the viability of the company.

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

The financial statements set out on pages 12 to 46 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 13 December 2024 on its behalf by:



JP Nelson



LAS du Plessis

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 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 of Copper 360 Ltd

During the year under review, the company's subsidiary 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 company are fully set out in the attached financial statements and do not in our opinion require any further comment.

### 2. Going concern

The 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 341 969 369 new ordinary shares during the year under review.

### 5. Dividend

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

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Directors' Report

---

### 6. Board of Directors

The board of directors of the company 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 company'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. Preparation of financial Statements

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

## **Independent Auditor's Report**

---

**To the Shareholders of Copper 360 Limited**

### **REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS**

#### **OPINION**

We have audited the separate financial statements of Copper 360 Limited (the company) set out on pages 12 to 46, which comprise the separate statement of financial position as at 29 February 2024 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Copper 360 Limited and its subsidiaries as at 29 February 2024, and its separate financial performance and separate 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 Separate Financial Statements section of our report. We are independent of the company 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	How our audit procedures addressed the key audit matter
<p><b>Valuation of investment in Shirley Hayes IPK Proprietary Limited – Note 5</b></p> <p>The company 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) at acquisition date. The investment is measured at R1.89bn at 29 February 2024.</p> <p>As at 29 February 2024 SHIP has not yet commenced with operations and there is thus an impairment indicator in terms of IAS 36 <i>Impairment of Assets</i>. In evaluating the value in use of the investment in SHIP, 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.</p> <p>We considered the valuation of the investment in SHIP to be a matter of significance to the current year audit due to the estimation uncertainty involved in establishing the value in use and the magnitude of the amounts involved.</p>	<p>Our audit procedures performed included the following:</p> <p>We focused our audit work on testing the key assumptions and estimates made by management in determining the value in use in terms of IAS 36 <i>Impairment of Assets</i>, which included:</p> <ul style="list-style-type: none"> <li>• Critically evaluating whether the method used by management in preparing the forecast is appropriate.</li> <li>• 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 company.</li> <li>• Assessing the mathematical accuracy of the forecast.</li> <li>• Recalculating the value in use of the investment in SHIP to ensure that it exceeds the carrying amount of the investment at year end.</li> <li>• We evaluated the adequacy of the disclosures with respect to the assumptions used in the determination as detailed in note 5 to the separate financial statements.</li> </ul>
<p><b>Valuation of loans to group companies – Note 9</b></p> <p>At year end the company have loans receivable to group companies to the value of R584m. The group companies incurred losses for the year ended 29 February 2024.</p> <p>In assessing the expected credit losses in terms of IFRS 9, <i>Financial Instruments</i>, 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.</p>	<p>Our audit procedures performed included the following:</p> <p>We focused our audit work on testing the key assumptions and estimates made by management in determining the expected credit losses, which included:</p> <ul style="list-style-type: none"> <li>• Critically evaluating whether the method used by management in preparing the forecast is appropriate.</li> <li>• 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 company.</li> <li>• Assessing the mathematical accuracy of the forecast.</li> <li>• Recalculating the expected credit losses.</li> <li>• We evaluated the adequacy of the disclosures with respect to the</li> </ul>

Key audit matter	How our audit procedures addressed the key audit matter
	assumptions used in the determination as detailed in note 9 to the separate financial statements.
<p><b>Recognition of deferred tax asset – Note 6</b> The company incurred a loss before tax for the current year to the value of R31.4 m. A deferred tax asset on the assessed loss was recognised.</p> <p>In assessing the value of the asset that can be recognised in terms of IAS 12 <i>Income Taxes</i>, 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.</p>	<p>Our audit procedures performed included the following:</p> <p>We focused our audit work on testing the key assumptions and estimates made by management in determining the estimated future taxable income, which included:</p> <ul style="list-style-type: none"> <li>• Critically evaluating whether the method used by management in preparing the forecast is appropriate.</li> <li>• 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 company.</li> <li>• Assessing the mathematical accuracy of the forecast.</li> <li>• 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.</li> <li>• We evaluated the adequacy of the disclosures with respect to the assumptions used in the determination as detailed in note 6 to the separate financial statements.</li> </ul>

#### OTHER MATTER

The separate financial statements of Copper 360 Limited for the year ended 28 February 2023 was not audited and therefore the comparative information contained in these separate 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 Separate Financial Statements for the year ended 29 February 2024", which includes the Directors' Report 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 separate financial statements and our auditor's report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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 SEPARATE FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 company'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 company'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 separate 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 separate 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.

A handwritten signature in cursive script, appearing to read 'Sindy Jonker'.

**Moore Pretoria**  
Registered Auditors

**Director: Sindy Jonker CA(SA)**  
Registered Auditor

13 December 2024  
Pretoria

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Statement of Financial Position

Figures in R'000

	Notes	2024	2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		190	-
Right-of-use assets		2,924	-
Investments in subsidiaries	5	1,890,534	1
Deferred tax assets	6	11,664	997
Investments	7	200,000	-
Other loans and receivables	8	1,452	-
<b>Total non-current assets</b>		<b>2,106,764</b>	<b>998</b>
<b>Current assets</b>			
Trade and other receivables		208	-
Other loans and receivables	8	9,963	6,929
Loans to group companies	9	583,783	131,661
Cash and cash equivalents	10	21,411	12
<b>Total current assets</b>		<b>615,365</b>	<b>138,602</b>
<b>Total assets</b>		<b>2,722,129</b>	<b>139,600</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	11	2,308,477	130,742
Accumulated loss		(25,386)	(3,880)
<b>Total equity</b>		<b>2,283,091</b>	<b>126,862</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	6	789	-
Other financial liabilities	12	86,368	-
<b>Total non-current liabilities</b>		<b>87,157</b>	<b>-</b>
<b>Current liabilities</b>			
Trade and other payables		845	238
Other financial liabilities	12	351,036	12,500
<b>Total current liabilities</b>		<b>351,881</b>	<b>12,738</b>
<b>Total liabilities</b>		<b>439,038</b>	<b>12,738</b>
<b>Total equity and liabilities</b>		<b>2,722,129</b>	<b>139,600</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Statement of Profit or Loss and Other Comprehensive Income

Figures in R'000

	Notes	2024	2023
Other income		48	-
Administrative expenses	17	(1,943)	(238)
Other expenses	13	(21,669)	(4,440)
Other gains and (losses)	19	(2,025)	-
<b>Loss from operating activities</b>		<b>(25,589)</b>	<b>(4,678)</b>
Finance income	14	5,293	-
Finance costs	15	(11,088)	(2)
<b>Loss before tax</b>		<b>(31,384)</b>	<b>(4,680)</b>
Income tax credit	16	9,878	997
<b>Loss for the year</b>		<b>(21,506)</b>	<b>(3,683)</b>
<b>Earnings per share from continuing and discontinuing operations</b>			
<b>Basic and diluted earnings per share</b>			
Basic and diluted loss per share (Cents per share)	17	(3.8)	(3.6)
<b>Total basic and diluted loss per share</b>		<b>(3.8)</b>	<b>(3.6)</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Statement of Changes in Equity

Figures in R'000	Issued capital	Accumulated loss	Total
<b>Balance at 1 March 2022</b>	47,021	(197)	46,824
<b>Changes in equity</b>			
Loss for the year	-	(3,683)	(3,683)
Total comprehensive income for the year	-	(3,683)	(3,683)
Issue of shares	999,893	-	999,893
Treasury Shares held in escrow	(916,172)	-	(916,172)
<b>Balance at 28 February 2023</b>	<b>130,742</b>	<b>(3,880)</b>	<b>126,862</b>
<b>Balance at 1 March 2023</b>	130,742	(3,880)	126,862
<b>Changes in equity</b>			
Loss for the year	-	(21,506)	(21,506)
Total comprehensive income for the year	-	(21,506)	(21,506)
Treasury Shares transferred from escrow	916,172	-	916,172
Issue of shares	1,261,563	-	1,261,563
<b>Balance at 29 February 2024</b>	<b>2,308,477</b>	<b>(25,386)</b>	<b>2,283,091</b>

Notes **11**

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

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		48	-
Cash paid to suppliers and Employees		(20,009)	(4,450)
<b>Net cash flows used in operations</b>	23	<b>(19,961)</b>	<b>(4,450)</b>
Finance cost		(1,457)	(2)
Interest income		896	-
<b>Net cash flows used in operating activities</b>		<b>(20,522)</b>	<b>(4,452)</b>

### Cash flows used in investing activities

Purchase of property, plant and equipment		(214)	-
Investments in other companies purchased		(102,800)	-
Cash advanced relating to other loans and receivables		(1,451)	-
Cash paid to related party		(11,836)	-
Cash paid on behalf of related party		(370,226)	(91,762)
Cash received from related party		50,580	-
Cash received by company on behalf of related party		1,000	-
<b>Cash flows used in investing activities</b>		<b>(434,947)</b>	<b>(91,762)</b>

### Cash flows from financing activities

Proceeds on share issue		152,633	83,720
Proceeds from issue notes		-	12,500
Proceeds from borrowings		340,535	-
Repayment of borrowings		(15,885)	-
Repayment of lease liability		(814)	-
Cash received from investment notes issued		399	-
<b>Cash flows from financing activities</b>		<b>476,868</b>	<b>96,220</b>
<b>Net increase in cash and cash equivalents</b>		<b>21,399</b>	<b>6</b>

Cash and cash equivalents at beginning of the year

		12	6
--	--	----	---

**Cash and cash equivalents at end of the year**

10	<b>21,411</b>	<b>12</b>
----	---------------	-----------

\* Refer to note 24 for changes in liabilities arising from financing activities.



# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

### 1. General information

Copper 360 Ltd ('the company') is the holding company for a group of companies that produce copper cathodes and are developing several projects to produce copper concentrate.

The company is incorporated 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 separate financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC<sup>®</sup> 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.

#### Functional and presentation currency

The company's financial results are presented in South African Rand, which the company'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 company has control. The company 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.

#### Investment in subsidiaries

Investment in subsidiaries are carried at cost less any accumulated impairment losses.

#### 2.1 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 7)

#### 2.2 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.

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

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

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

Financial assets at amortised cost, consisting of:

- Loans to group companies
- Trade and other receivables
- Cash and cash equivalents
- Loans and other receivables

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

Financial liabilities at amortised cost, consisting of:

- Trade and other payables
- Other financial liabilities

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

### **2.2.1 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.

### **2.2.2 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

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

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.

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 Company'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 Company 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 Company'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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company 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.

## **2.3 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

### *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.

#### **2.4.2 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.

#### **2.4.3 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

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

#### **2.4 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.

#### **Critical accounting estimates and assumptions**

The Company 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.

#### **Estimated impairment of investment in subsidiaries**

The Company tests annually, or more frequently if there is an indicator of impairment, whether investment in its subsidiaries 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)

#### **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.

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 Company'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 company specific.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

### *Changes in accounting policies and disclosures continued...*

#### **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 Company's 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 Company's financial statements.

#### **New standards and interpretations not yet adopted**

The company 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 company). The board of directors anticipates that the new standards, amendments and interpretations will be adopted in the company's financial statements when they become effective. The company 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 Company's financial statements.

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

#### **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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Accounting Policies

---

*Changes in accounting policies and disclosures continued...*

### **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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 5. Investments in subsidiaries

#### 5.1 The amounts included on the statement of financial position comprise the following:

Investments in subsidiaries	1,890,534	1
-----------------------------	-----------	---

### 5.2 Investments in subsidiaries

#### 5.2.1 Details of the company's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business
Cape Copper Oxide Proprietary Ltd	Production of copper cathodes	Republic of South Africa
O'Okiep Copper Company (Pty) Ltd	Ownership of properties and operating assets related to production of copper	Republic of South Africa
Shirley Hayes-IPK (Pty) Ltd	Holder of mining right and entity through which mining operations are to be conducted.	Republic of South Africa

#### 5.2.2 Voting rights and interest held for these subsidiaries are as follows:

	Interest 2024	Voting rights 2024	Interest 2023	Voting rights 2023
Cape Copper Oxide Proprietary Ltd	100.00%	100.00%	100.00%	100.00%
O'Okiep Copper Company (Pty) Ltd	100.00%	100.00%	0.00%	0.00%
Shirley Hayes-IPK (Pty) Ltd	95.00%	95.00%	0.00%	0.00%

#### Investment in subsidiaries and loans to subsidiaries impairment test

No impairment indicators exists.

However, the recoverable amounts of the investments and loans to subsidiaries were 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%



# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 6. Deferred tax

#### 6.1 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

11,664	997
<u>11,664</u>	<u>997</u>

Deferred tax liabilities:

- Deferred tax liability to be realised after more than 12 months

(789)	-
<u>(789)</u>	<u>-</u>

**Net deferred tax assets**

<u><b>10,875</b></u>	<u><b>997</b></u>
----------------------	-------------------

#### Details of set-off of deferred tax assets and liabilities

Right of use asset

705	-
-----	---

Calculated tax loss

9,402	997
-------	-----

Deferred gain on fair value IFRS9 (refer to note 12)

1,557	-
-------	---

**Total deferred tax asset per the statement of financial position**

<u><b>11,664</b></u>	<u><b>997</b></u>
----------------------	-------------------

Right of use liability

(789)	-
-------	---

**Total deferred tax liability per the statement of financial position**

<u><b>(789)</b></u>	<u><b>-</b></u>
---------------------	-----------------

#### 6.2 Reconciliation of deferred tax movements

**Opening balance at 1 March 2023**

(Charged) / credited to profit or loss

**Closing balance at 29 February 2024**

**Opening balance at 1 March 2022**

(Charged) / credited to profit or loss

**Closing balance at 28 February 2023**

Deferred tax R	Total R
997	<b>997</b>
9,878	<b>9,878</b>
<u><b>10,875</b></u>	<u><b>10,875</b></u>
-	-
997	<b>997</b>
<u><b>997</b></u>	<u><b>997</b></u>

#### 6.3 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

<u>10,875</u>	<u>997</u>
---------------	------------

#### 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 7. Investments

Investments comprise the following balances

Nama Copper Resources Proprietary Limited	200,000	-
---	---------	---

#### Details of acquisition of Nama Copper Resources Proprietary Limited

The Company has entered into an agreement to acquire Nama Copper Resources (Pty) Ltd, a neighbouring company that operates a modular flotation plant to 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 20).

### 8. Other loans and receivables

Other loans and receivables comprise the following balances

OCC Engineering	1,452	-
This loan is unsecured, carries interest at 0% and is not repayable within the next 12 months.		
Other receivables	9,963	6,929
	<b>11,415</b>	<b>6,929</b>
Non-current assets	1,452	-
Current assets	9,963	6,929
	<b>11,415</b>	<b>6,929</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 9. Loans to group companies

#### Loans to group companies comprise the following balances

Cape Copper Oxide Proprietary Limited	445,783	128,989
The loan is unsecured, bears no interest and has no fixed terms of repayment. The loan is subordinated to all other creditors of Cape Copper Oxide Proprietary Limited		
O'Okiep Copper Company Proprietary Limited	138,000	-
The loan is unsecured, bears no interest and has no fixed terms of repayment. The loan is subordinated to all other creditors of O'Okiep Copper Company Proprietary Limited		
Shirley Hayes-IPK Proprietary Limited	-	2,672
The loan was unsecured, beared no interest and has no fixed terms of repayment. The loan was subordinated to all other creditors of Shirley Hayes-IPK Proprietary Limited		
	<b>583,783</b>	<b>131,661</b>

#### Exposure to credit risk

The credit quality of loans to group companies is assessed with reference to the financial positions and forecast performance of the relevant company. The loans to these group companies were accordingly assessed to be of high quality, based on future forecast performance.

### 10. Cash and cash equivalents

#### 10.1 Cash and cash equivalents included in current assets:

##### Cash

Cash on hand in South African Rands	93	12
Cash on hand in US Dollar	21,318	-
	<b>21,411</b>	<b>12</b>

#### 10.2 Net cash and cash equivalents

Current assets	<b>21,411</b>	<b>12</b>
----------------	---------------	-----------

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 11. Issued capital

#### 11.1 Authorised and issued share capital

##### Authorised

1 000 000 000 authorised shares

- -

##### Issued

698 351 660 (2023: 356 382 491) issued shares

2,308,477 130,742

#### 11.2 Share Reconciliation

	2024	2023	2024	2023
	Number of shares	Number of Shares	Amount R000'	Amount R000'
Shares issued - beginning of the period	356,382,291	98,783,236	130,742	47,021
Shares issued before reverse takeover	40,781,450	21,399,055	376,733	55,093
Shares issued during the year to effect the reverse acquisition (refer note 5)	232,528,379	236,200,000	643,855	944,800
Treasury shares issued to subsidiary (33 857 849 shares)	33,857,849	-	137,880	-
Movement in Treasury Shares held in escrow			916,172	(916,172)
Other shares issued after the reverse takeover	34,801,692	-	103,095	-
<b>Effective share capital</b>	<b>698,351,661</b>	<b>356,382,291</b>	<b>2,308,477</b>	<b>130,742</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### Issued capital continued...

#### 11.3 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%
<b>Placed in escrow for purposes of collateral</b>			<b>(86,000,000)</b>	<b>(86,000,000)</b>	<b>-12.3%</b>
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%
<b>Net holding per register</b>	<b>4</b>		<b>305,914,746</b>	<b>305,914,746</b>	<b>43.8%</b>
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%
<b>Total</b>	<b>3670</b>	<b>183,490,778</b>	<b>514,860,882</b>	<b>698,351,660</b>	<b>100%</b>
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 SA Hayes, with a 52.3% interest, holds more than 5% of the issued share capital in the Company.

#### 11.4 Share incentive schemes

##### Authorised

Number of securities available to be utilised	40,000,000	-
---	------------	---

##### Issued

Number of securities issued during the financial year	-	-
---	---	---

The Company 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

	2024	2023
<i>Issued capital continued...</i>		
<b>11.5 Issues of shares for cash</b>	<b>2,024</b>	<b>2,023</b>
	<b>Amount R000'</b>	<b>Amount R000'</b>
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 17.2)	100,000	-
Other share placements	52,633	83,720
<b>Total cash received from shares issued</b>	<b>152,633</b>	<b>83,720</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 12. Other financial liabilities

#### 12.1 Carrying amount of other financial liabilities by category

	Designated at fair value R	At amortised cost R	Total R
<b>Year ended 29 February 2024</b>			
Other financial liabilities		434,228	<b>434,228</b>
Lease liabilities	-	3,176	<b>3,176</b>
<b>Components listed under other financial liabilities on the statement of financial position</b>	<b>-</b>	<b>437,404</b>	<b>437,404</b>
Trade and other payables excluding non-financial liabilities	-	845	<b>845</b>
<b>Components listed separately on the statement of financial position</b>	<b>-</b>	<b>845</b>	<b>845</b>
	<b>-</b>	<b>438,249</b>	<b>438,249</b>
<b>Other financial liabilities comprise the following on the statement of financial position:</b>			
Current portion	-	351,881	<b>351,881</b>
Non-current portion	-	86,368	<b>86,368</b>
	<b>-</b>	<b>438,249</b>	<b>438,249</b>
<b>Year ended 28 February 2023</b>			
Other financial liabilities	12,500	12,500	<b>25,000</b>
<b>Components listed under other financial liabilities on the statement of financial position</b>	<b>12,500</b>	<b>12,500</b>	<b>25,000</b>
Trade and other payables excluding non-financial liabilities	-	238	<b>238</b>
<b>Components listed separately on the statement of financial position</b>	<b>-</b>	<b>238</b>	<b>238</b>
	<b>12,500</b>	<b>12,738</b>	<b>25,238</b>
<b>Other financial liabilities comprise the following on the statement of financial position:</b>			
Current portion	12,500	12,500	<b>25,000</b>
	<b>12,500</b>	<b>12,500</b>	<b>25,000</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### *Other financial liabilities continued...*

#### 12.2 Other financial liabilities comprise:

##### Unsecured loans

Investment notes	-	12,500
Other interest bearing loans	104,439	-
Interest free loans	81,802	-
Royalty Loans	63,400	-
Obligation to invest in Nama Copper Resources Proprietary Limited (Refer to note 7 and 20)	69,500	-
Unrealised deferred gain on interest free loans	5,769	-

##### Secured loans

Royalty Loans	88,000	-
Other interest bearing loans	21,318	-
	<b>434,228</b>	<b>12,500</b>

#### Non-current portion of other financial liabilities comprise of:

Other interest bearing loans	21,318	-
Interest free loans	56,670	-
Unrealised deferred gain on interest free loans	5,769	-
	<b>83,757</b>	-

#### Current portion of other financial liabilities comprise of:

Investment notes	-	12,500
Other interest bearing loans	104,439	-
Interest free loans	25,132	-
Royalty Loans	151,400	-
Obligation to invest in Nama Copper Resources Proprietary Limited	69,500	-
	<b>350,471</b>	<b>12,500</b>
	<b>434,228</b>	<b>12,500</b>

#### Reconciliation of IFRS 9 deferred gain

Opening balance at 1 March 2023	-	-
Adjustment for initial recognition	10,166	-
Realisation of deferred gain during the year	(4,397)	-
Closing balance at 29 February 2024	<b>5,769</b>	-



# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### *Other financial liabilities continued...*

#### 12.3 Loan terms

##### Interest-free loans from related parties

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.

##### Investment note

The investment notes entitle the holders to convert the notes into Copper 360 shares at a discount of 20% to the listing price upon listing. Failing a listing the note holders have the choice whether to convert the notes into Copper 360 shares or demand repayment of the capital. These notes were converted in to Copper 360 shares during the financial year.

##### 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 17.2)

##### 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 13. Other expenses

#### Other expenses comprise:

Advertising	101	-
Consulting fees	2,486	3,409
Depreciation - Property, plant and equipment	24	-
Depreciation - Right-of-use assets	731	-
Employee benefit expenses	15,776	-
Legal expense	1,044	-
Other expenses	1,076	995
Travel - Local	431	36
<b>Total other expenses</b>	<b>21,669</b>	<b>4,440</b>

### 14. Finance income

#### Finance income comprises:

Interest received	896	-
Realisation of deferred fair value gain (refer to note 12)	4,397	-
<b>Total finance income</b>	<b>5,293</b>	<b>-</b>

### 15. Finance costs

#### Finance costs included in profit or loss:

Interest free loans (refer to note 12)	4,397	-
Interest on lease liability	335	-
Other short term instruments (refer to note 12)	6,356	2
<b>Total finance costs</b>	<b>11,088</b>	<b>2</b>

### 16. Income tax (credit)

#### Income tax recognised in profit or loss:

#### Deferred tax

Originating and reversing temporary differences	(9,878)	(997)
<b>Total income tax (credit)</b>	<b>(9,878)</b>	<b>(997)</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### *Income tax (credit) continued...*

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

Loss before tax from operations	(31,384)	(4,680)
Income tax calculated at 27.0%	(8,474)	(1,264)
Tax effect of		
- Calculated tax loss	-	266
- Non-taxable IFRS9 finance income	(1,404)	-
<b>Tax charge</b>	<b>(9,878)</b>	<b>(998)</b>

### 17. Earnings per share

#### 17.1 Basic and diluted earnings per share

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 company for continuing operations

(21,506) (3,683)

**Earnings used in the calculation of basic and diluted earnings per share for continuing operations**

**(21,506) (3,683)**

Weighted average number of ordinary shares used in the calculation of basic earnings per share

560,235,652 103,683,000

Earnings / (loss) per share (Cents per share)

(3.8) (3.6)

#### Additional disclosures

Basic and Dilutive earnings for the period are identical. The fully diluted weighted average number of shares in issue would be 600 235 452, 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### Earnings per share continued...

#### 17.2 Headline earnings per share

	2024	2023	2024	2023
	Gross Amount	Gross Amount	Net Amount	Net Amount
	R'000	R'000	R'000	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 company for continuing operations

(21,506) (3,683)

IAS33 earnings

(21,506) (3,683)

**Earnings used in the calculation of headline earnings per share for continuing operations**

**(21,506) (3,683)**

Weighted average number of ordinary shares used in the calculation of headline earnings per share

560,235,652 103,683,000

Headline loss per share (Cents per share)

(3.8) (3.6)

### Additional disclosures

Basic and Dilutive earnings for the period are identical. The fully diluted weighted average number of shares in issue would be 600 235 452, 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### Earnings per share continued...

#### Share issues during the financial years

##### Shares issues during the year ended 29 February 2024

Issue description	Number of shares	Date	Days	Weighted average number of shares
Opening balance	120,182,291	1-Mar-23	365	120,182,291
Private Placement	38,125,000	21-Apr-23	314	32,797,945
Consideration shares for SHIP acquisition	471,384,828	21-Apr-23	314	405,520,099
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
Differential Capital	29,411,764	26-Feb-24	3	241,741
Differential Capital -Loan capital (Refer to note 12.3)	(25,882,352)	26-Feb-24	3	(212,732)
<b>Total</b>	<b>672,469,308</b>			<b>560,235,652</b>

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 17. The terms of the royalty component of the structure are identical to the royalty loan terms.

##### Shares issues during the year ended 28 February 2023

Issue description	Number of shares	Date	Days	Weighted average number of shares
Opening balance	98,783,236	1-Mar-22	365	98,783,236
Issue of share to Directors	1,150,000	26-May-22	278	875,890
Issue of share to Directors	100,000	26-May-22	247	67,671
Private Placement	2,136,200	10-Oct-22	141	825,217
Conversion of loan to equity - Element 29 Proprietary Limited	3,946,699	7-Dec-22	83	897,469
Private Placement	6,000,001	28-Dec-22	62	1,019,178
Conversion of loan to equity - Handa Mining Corporation	5,555,556	31-Dec-22	59	898,021
Private Placement	2,499,999	7-Dec-22	46	315,069
Private Placement	10,600	7-Dec-22	83	1,249
<b>Total</b>	<b>120,182,291</b>			<b>103,683,000</b>

## 18. Segment information

Segment information is only presented on group consolidation level and not disclosed for company in terms of the two major products that the Copper 360 group produces, namely Copper cathodes and Copper concentrate. The is company the holding entity of the group and only holds investments in its subsidiaries that produces copper products. 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 by the group, as the mine and associated flotation plant are presently under construction.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 19. Related parties

#### 19.1 Other related parties

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

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

*Related parties continued...*

### 19.2 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
<b>Total compensation paid to directors and prescribed officers</b>	<b>2,770</b>	<b>9,810</b>	<b>12,580</b>

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
<b>Total compensation paid to directors and prescribed officers</b>	<b>-</b>	<b>4,850</b>	<b>4,850</b>

### 19.3 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
<b>Total securities issued to directors and prescribed officers</b>	<b>179,057,040</b>	<b>3.99</b>	<b>714,517</b>

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
<b>Total securities issued to directors and prescribed officers</b>	<b>232,476,961</b>	<b>4.01</b>	<b>932,692</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### Related parties continued...

#### 19.4 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

#### 19.5 Related party transactions and balances

	Subsidiaries	Entity controlled by director	Key management personnel of the entity or its parent	Shareholders	Total
<b>Year ended 29 February 2024</b>					
<b>Related party transactions</b>					
Services received	-	-	3,158	-	<b>3,158</b>
IFRS9 Finance Income - Gain on fair value realised	-	(2,241)	-	(2,156)	<b>(4,397)</b>
Finance charges	-	4,040	-	2,156	<b>6,196</b>
<b>Outstanding loan accounts</b>					
Interest free loans from related parties (refer to note 12)	-	(28,880)	-	(52,921)	<b>(81,801)</b>
Other interest bearing loans (refer to note 12)	-	(76,439)	-	-	<b>(76,439)</b>
Royalty loans (refer to note 12)	-	(30,000)	-	-	<b>(30,000)</b>
Loans to group companies (refer to note 9)	583,783	-	-	-	<b>583,783</b>
<b>Year ended 28 February 2023</b>					
<b>Outstanding loan accounts</b>					
Loans to group companies (refer to note 9)	131,661	-	-	-	<b>131,661</b>



# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 20. 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
<b>Total</b>	<b>301,899</b>

#### 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.

### 21. Going concern

The 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 Company 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 Company 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 Company 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 Company. 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 Company.

### 22. 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 company'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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### *Financial risk management continued...*

#### 22.1 Market risk

##### 22.1.1 Foreign exchange risk

#### Exposure

The company'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

Cash and cash equivalents (refer to note 10)

ZAR R'000

US Dollar R'000

21,318

1,110

Other interest-bearing loans (refer to note 12)

97,756

5,233

#### Sensitivity

As shown in the table above, the Company 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% *	8,801	-
US/ZAR exchange rate – decrease 10% *	(8,801)	-

\* Holding all other variables constant

##### 22.1.2 Interest rate risk

#### Exposure

The company'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 11. Interest earned on deposits are linked to money market rates as applied by the financial institutions. Based on the financial instruments as at 28 February 2024, the after-tax effect of a 1% movement in the interest rates, on the Statement of Comprehensive Income, would be R1.4 million.

#### 22.2 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### *Financial risk management continued...*

#### **22.2.1 Risk management**

Trade and other receivables, Cash and cash equivalents and other loans and receivables are exposed to credit risk.

Trade and other receivables consist mainly of:

- Trade receivables
- Amounts receivable from related parties.
- Loans to group companies

Trade receivables

Credit risk on trade receivables arise by granting of short-term credit to the customer. The following controls mitigate risk of default:

- Only other income in the form of advertising income invoiced to external customers.
- 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.

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).

#### **22.3 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 company 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

### Financial risk management continued...

#### 22.3.1 Maturities of financial liabilities

The tables below analyse the company'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
<b>Year ended 29 February 2024</b>							
<b>Non-derivatives</b>							
Trade and other payables excluding non-financial liabilities	-	845	-	-	-	845	845
Interest free loans from related parties (refer to note 12)	2,631	22,500	-	-	787,302	812,433	81,802
Other interest bearing loans (refer to note 12)	105,112	-	-	27,720	-	132,832	125,757
Royalty loans (refer to note 12)	-	153,692	-	-	-	153,692	151,400
Lease liabilities	440	440	950	2,133	-	3,963	3,176
Obligation to invest in Nama Copper Resources Proprietary Limited (refer to note 12)	69,500	-	-	-	-	69,500	69,500
<b>Total non-derivatives</b>	<b>177,683</b>	<b>177,477</b>	<b>950</b>	<b>29,853</b>	<b>787,302</b>	<b>1,173,265</b>	<b>432,480</b>
<b>Non-derivatives</b>							
Trade and other payables excluding non-financial liabilities	-	238	-	-	-	238	238
Investment Notes (refer to note 12)	12,899	-	-	-	-	12,899	12,500
<b>Total non-derivatives</b>	<b>12,899</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,137</b>	<b>12,738</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

---

### *Financial risk management continued...*

#### **22.4 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.

The company manages capital structure on a group-level 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.

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

2024

2023

### 23. Cash flows from operating activities

<b>Loss for the year</b>	<b>(21,506)</b>	<b>(3,683)</b>
<b>Adjustments for:</b>		
Income tax expense	(9,878)	(997)
Finance income	(5,293)	-
Finance costs	11,088	2
Depreciation - Property, plant and equipment	24	-
Depreciation - Right-of-use assets	731	-
Other non-cash items	2,449	-
Gains and losses on foreign exchange realised in profit or loss	2,025	-
<b>Change in operating assets and liabilities:</b>		
Adjustments for increase in other operating receivables	(208)	-
Adjustments for increase in trade accounts payable	607	-
<b>Net cash flows from operations</b>	<b>(19,961)</b>	<b>(4,678)</b>

# Copper 360 Ltd

(Registration Number 2021 / 609755 / 06)

Financial Statements for the year ended 29 February 2024

## Notes to the Financial Statements

Figures in R'000

### 24. Changes in liabilities arising from financing activities

	Classification on cash flow statement	Summary classification	2024	Effect of changes in foreign exchange rate	Cash flows from financing activities	Other changes	2023	Cash flows from financing activities	2022
<b>Other financial liabilities</b>									
Other financial liabilities (refer to note 12)	Financing	Borrowings	(434,228)	(2,025)	(324,650)	(95,053)	(12,500)	12,500	-
Lease liabilities	Financing	Leases	(3,176)	-	814	(3,990)	-	-	-
			<b>(437,404)</b>	<b>(2,025)</b>	<b>(323,836)</b>	<b>(99,043)</b>	<b>(12,500)</b>	<b>12,500</b>	<b>-</b>