



COPPER SEARCH

QUARTERLY REPORT

September 2022

17 October 2022

Copper Search Limited (ASX: CUS) is pleased to present its
Quarterly Activities Report for the period ending 30 September 2022

HIGHLIGHTS

EXPLORATION ACTIVITIES

A detailed review was completed to re-rank all exploration targets across Gawler Craton tenements using geological information from drilling to date and newly acquired geophysical data.

Highlights and recommendations of the review

- Focus on the flagship Peake Project in the NE Gawler Craton, prospective for large-scale copper (IOCG) deposits
- A detailed project review has identified over 20 shallow potential IOCG targets less than 500m deep and a further six deeper targets at the Company's Peake Project
- Drilling at the Billa Kalina Project and review of the North Titan Projects have downgraded prospectivity and will be relinquished
- The Gawler Craton is host to world-class IOCG deposits and includes Carrapateena and the world-renowned BHP Olympic Dam Mine
- Targeted infill geophysics (IP, gravity and AMT) surveys will inform the final target ranking and refine drill collar locations
- Extensive 6-month drilling program to commence in 2023
- A revised exploration strategy completed by the newly formed exploration team, using a mineral systems approach and incorporates multiple big data sets, innovative peer-reviewed emerging techniques, and well-established conventional exploration methods

CORPORATE

- Cash position of \$8.2 million at quarter end 30 September 2022



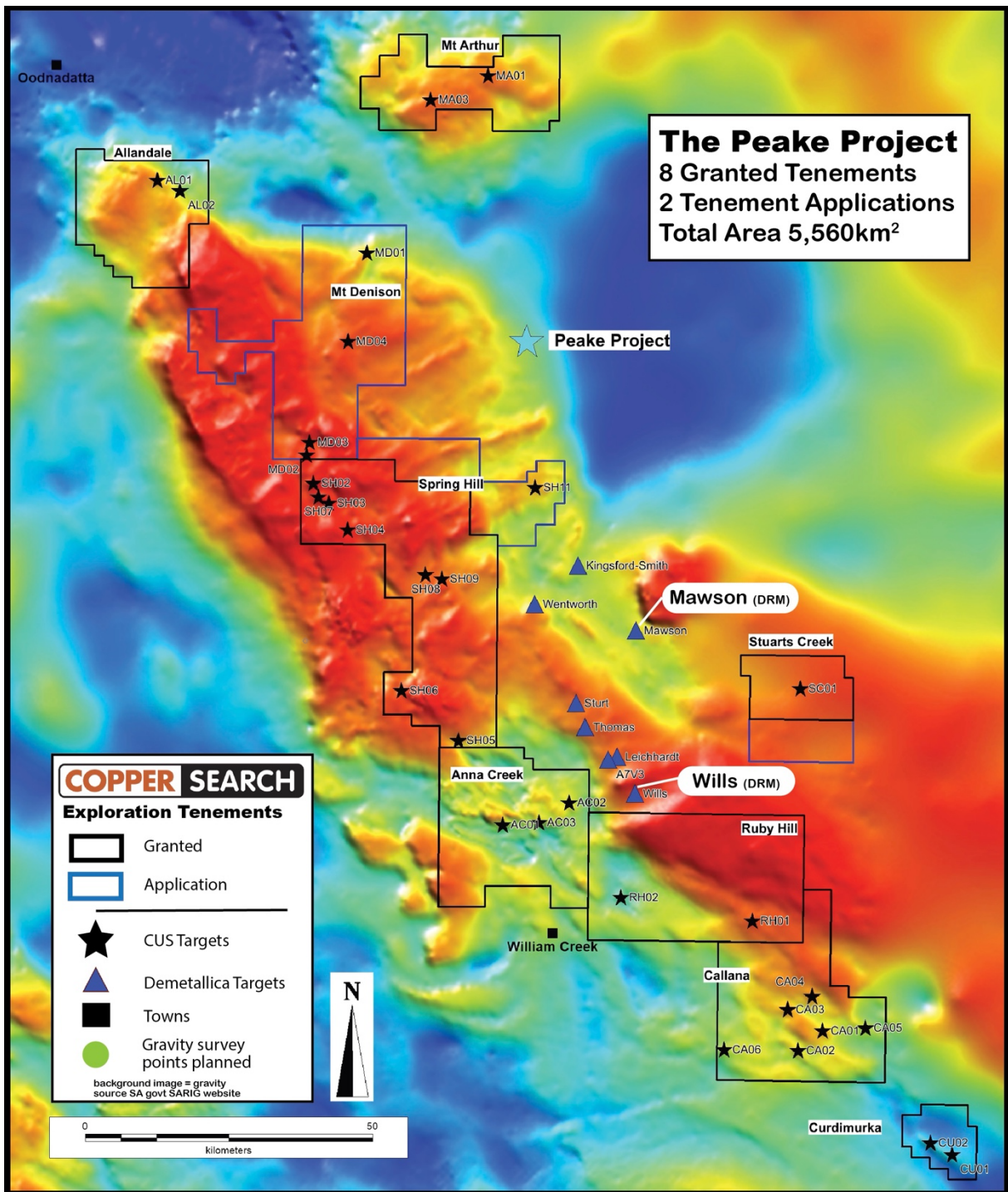
COPPER SEARCH



The Gawler Craton is a world-class mining district in South Australia and is endowed with over 100 million tonnes of copper and 110 million ounces of gold. Copper Search's Peake Project covers over 5,560 sq km giving the company a strong ground position in the district.

About The Peake Project

- Prospective for Cloncurry style IOCG and ISCG deposits
- Adjacent explorer Demetallica has confirmed Peak and Denison prospectivity for Ernest Henry-style copper mineralisation in drilling (ASX: DRM 5 October 2022)
- Has over 20 potential shallow drill targets <500m deep, and six deeper drill targets
- An underexplored region with recent government airborne geophysics surveys has allowed the identification of new opportunities
- A revised exploration strategy completed by the newly formed exploration team, using a mineral systems approach and incorporates multiple big data sets, innovative peer-reviewed emerging techniques, and well-established conventional exploration methods
- Targeted infill geophysics (IP, gravity, ground mag, AMT and MT) surveys will inform the final target ranking and refine drill collar locations
- Recommend three phases of drilling over a 24-month period, supported by ongoing target definition activities and innovation
- An extensive 6-month drilling program to commence in Q1, 2023



DETAILS

Copper Search Limited (ASX: CUS) (Copper Search or the Company) is pleased to provide quarterly activities update on operations carried out on its exploration projects in South Australia's Gawler Craton.

EXPLORATION ACTIVITIES

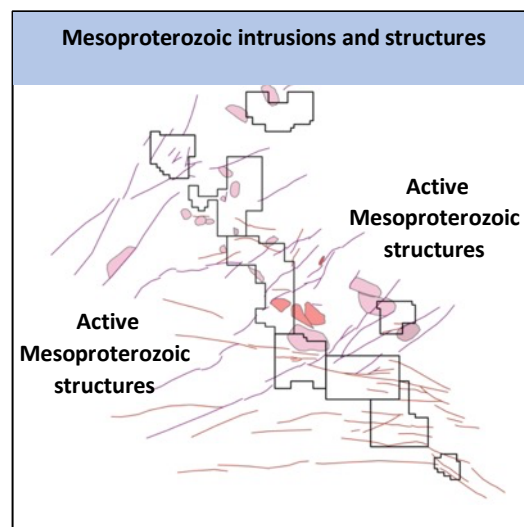
- **PROJECT-WIDE REVIEW**

During the quarter, Copper Search completed a detailed review of the Gawler Craton Project with a view to re-ranking exploration targets. Additional geophysical surveys and modelling have been undertaken to complement previous magnetic modelling. Data from these surveys and information collected from drilling to date have been incorporated to re-ranking all projects. Targets were ranked against known IOCG deposits and prospects to provide an absolute scale to justify drilling.

The most significant conclusion of the review narrowed the exploration search space to structural corridors associated with deep-tapping Mesoproterozoic faults and Mesoproterozoic intrusive rocks, which have been demonstrated to be crucial to forming IOCG deposits in other districts (e.g. Olympic Domain, Gawler Craton, Cloncurry District in QLD).

- **Target Ranking Scale 1 to 100 Scale**

Proximity to Mesoproterozoic (the right age) structures and intrusions heavily increases the target ranking score and is the best setting for IOCGs to be emplaced and hence the best corridors to focus exploration efforts.



Key Factors

- ✓ Proximity to the right age structures (*Mesoproterozoic age rocks*)
- ✓ Gravity anomaly
- ✓ Magnetic anomaly
- ✓ IP and/or MT anomaly
- ✓ Depth of cover
- ✓ EM anomaly

- Phase One Targets Identified**

Thirteen targets were identified within the southern area of the Peake Project utilising these parameters and benchmarking against known IOCG deposits e.g. Ernest Henry. Simultaneously, adjacent explorer Demetallica has confirmed Peak and Denison prospectivity for Ernest Henry-style copper mineralisation in drilling (ASX: DRM 5 October 2022). Prior to drilling the Company plans to complete minor infill geophysics surveys and re-score targets. Drilling programs are planned to commence in Q1, 2023 (subject to drilling rig availability). See Figure 1 for target locations.

Target	Depth	Score %	Geophysics planned 2022
Ernest Henry	50	100	n/a - Known IOCG Mine
Titan Prospect	600	80	n/a - Known IOCG Prospect
AC01	260	78	IP, AMT, ground mag
AC02	300	80	IP, AMT, ground mag
AC03	250	85	IP, AMT, ground mag
RH01	300	53	Ground mag
RH02	200	93	IP, AMT, ground mag
CU01	400	68	Infill gravity, ground mag, IP
CU02	240	80	Ground mag
CA01	300	48	Ground mag
CA02	250	63	Ground mag
CA04	350	45	Ground mag
CA05	400	60	Infill gravity, ground mag
CA06	350	50	Infill gravity, ground mag
SC01	550	45	Broad & infill gravity

Figure 2 Phase One drill targets - a six month drilling program is planned to commence in Q1, 2023

CASH BALANCE

Copper Search finished the quarter (30 September 2022) with \$8.2 million in cash and is well-funded to undertake further exploration activities on its Gawler Craton tenements.

SHARE CAPITAL CHANGES

During the quarter, no changes were made to Copper Search's securities:

A summary of movements and balances of equity securities between 1 July 2022 and this report are listed below:

Copper Search Limited	Quoted	Escrow – Unquoted		Unquoted	
Class of Security	Ordinary shares (ASX: CUS)	Ordinary shares restricted (CUSAC)	Options restricted (CUSAD)	Performance rights (CUSAF)	Options (CUSAE)
On issue at start of the Quarter	52,794,895	29,613,047	2,750,000	1,200,000	1,200,000
Total securities on issue at the date of this report	52,794,895	29,613,047	2,750,000	1,200,000	1,200,000

For further information please contact the authorising officer Duncan Chessell:

Duncan Chessell

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APPENDICIES

MINING PRODUCTION, DEVELOPMENT AND EXPLORATION ACTIVITIES

The Group has incurred \$387k concerning exploration activities during the quarter as detailed above (disclosure per ASX listing rule 5.3.1).

The Group has had no mining production and development activities to date and therefore no expenditure has been incurred to date on these activities (disclosure per ASX listing rule 5.3.2).

TENEMENT TABLE

Tenement number	Tenement name	Beneficial interest held at the of the Quarter	Changes during the Quarter to % beneficial interest	Comments
South Australia – Gawler Craton – held via 100% owned subsidiary				
6181	Curdimurka	100%	-	
6195	Anna Creek	100%	-	
6235	Allandale	100%	-	
6236	Mt Arthur	100%	-	
6238	Stuarts Creek	100%	-	
6314	Callana	100%	-	
6315	Ruby Hill	100%	-	
6400	Dismal Plain	100%	-	To be relinquished
6401	Wantaman	100%	-	To be relinquished
6669	North Titan	100%	-	To be relinquished
6808	Spring Hill	100%	+100%	Newly granted
Application 2022-077	Mt Denison	0% (100% upon grant)	-	Grant pending
Application 2022-085	Blyth Creek	0% (100% upon grant)	-	Grant pending

USE OF IPO FUNDS

The Company was admitted to the Official List of the ASX on 15 September 2021 and as disclosed in the Prospectus (lodged 30/7/2021 with ASIC) a Proposed use of Funds and Exploration Budgets; see Prospectus Section 1.1 page 18 and Section 2.6 Page 45 respectively. As required under ASX listing rule 5.3.4 the Company provides the following table summarising the budget to actuals analysis.

Exploration IPO use of funds (2 Years) to actuals Table

Expenditure (\$'000)	IPO use of funds 2 years	Actual to 30 Sept 2022	Remaining balance	Material variance explanation
Peak & Denison	2,423	106	2,317	Anticipated works not yet commenced, large rain events early in year disrupted plans. Further works to commence in early 2023.
Mt Arthur	1,169	57	1,112	Anticipated works to commence in year 2 now. Large rain events early in 2022 disrupted plans. Further ground-based geophysics to commence in late 2022.
Ruby Hill	2,982	1,489	1,493	Progressing in line with planned expenditure. Further works to commence in late 2022.
Billa Kalina	2,731	617	2,114	Geophysics and drilling completed. Technical review concluded no further work recommended. Tenements to be relinquished.
North Titan	797	96	701	Geophysics completed. Technical review concluded no further work recommended. Tenements to be relinquished.
Other exploration - new tenement(s)	0	63	-63	New opportunities next to existing tenements. Same business model.
Total exploration	10,102	2,428	7,674	
Costs of the IPO	720	725	-5	As planned
Plant and equipment	0	209	-209	Not material. Plant & Equipment purchased to reduce rental costs, i.e. offset by reduced project expenses.
Corporate administration and working capital	2,128	1,290	838	Minor additional costs incurred with the relocation of the corporate office to Adelaide from Perth, otherwise in line with expected.
TOTAL	12,950	4,652	8,298	

RELATED PARTY PAYMENTS

Copper Search discloses that payments to related parties of the Company and their associates during the quarter totalled \$83k. These payments related to the provision of and consulting geologists by Macallum Group Ltd totalling \$21,956. Macallum Group Ltd is an entity related to Director Peter McIntyre. Office rental in Adelaide from Maria Belperio \$14,270, a related party to Director Tony Belperio. Payments totalling \$46,963 to Non-Executive Director fees paid as salaries and to entities nominated by relevant Directors.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Copper Search Limited

ABN

78 650 673 500

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(387)	(387)
(b) development	-	-
(c) production	-	-
(d) staff costs	(164)	(164)
(e) administration and corporate costs	(218)	(218)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	290	290
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(477)	(477)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(151)	(151)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(151)	(151)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,881	8,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(477)	(477)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(151)	(151)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,253	8,253

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,253	8,881
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,253	8,881

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	83
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(477)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(477)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,253
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,253
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	17
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 17 October 2022

Authorised: **By the board**

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.