

COPPER SEARCH

HOLE ID:
#AC23

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QUARTERLY REPORT

JUNE 2023

27 July 2023

Copper Search Limited (ASX: CUS) (Copper Search or the Company) is pleased to present its Quarterly Activities Report for 30 June 2023.

SUMMARY

EXPLORATION

The June Quarter saw Copper Search commence a significant drilling program to test multiple large-scale IOCG and ISCG targets developed via extensive project reviews and geophysical surveys over the previous 12 months. Drilling was commenced at the Company's Peake Project in the NE corner of the Gawler Craton, South Australia, in April.

Diamond core drilling to test Target AC23 (Drill hole 23PK01) was completed to a depth of 458m. Assays received in late July indicated that Copper Search had intersected multiple intervals of IOCG(U)-style mineralisation with copper present from 122m. Intersections included: copper up to 0.45%; gold up to 5.35 g/t Au; uranium up to 64 ppm; and IOCGU pathfinder elements Ce+La up to 2,025 ppm. (Iron Oxide Copper Gold Uranium)

This is an excellent result for the first drill test of the program and highly encouraging for the prospectivity of this emerging copper district in the Peake and Denison Domain of the Gawler Craton. Drilling at Target RH02 was also completed to 622m but did not intersect significant visible sulphides.

Drilling is now underway at Target AC30 – located 5km to the South-West of AC23- interpreted as a structurally controlled Iron Sulphide Copper Gold style mineral system.

During the quarter, the exploration team continued to analyse the airborne electromagnetic (AEM) surveys flown across the Northern half of the project and conducted field visits and mapping of regional prospects. This data is being used to update the litho-structural models of the Peake Project and assess anomalies to add to our pipeline of drill targets.

CORPORATE

On the corporate front, Copper Search's Company Secretary, Jarek Kopias, was appointed as the CFO (Chief Financial Officer).

The cash position at the quarter that ended 30 June 2023 was \$5.8 million.

Capital Structure

Ordinary Shares
Issued 82 M

Options and rights
Unlisted options 4 M
Unlisted performance rights 2.2 M

Cash Position

June 30 Quarterly
\$5.8 million

22 320
21 Sydenham Road
Norwood SA 5067
www.coppersearch.com.au

Board Members

Chris Sutherland - Chair
Peter McIntyre - NED
Tony Belperio - NED
Greg Hall - NED
Jarek Kopias - Co Sec & CFO

“

I believe that the drilling results achieved in the June Quarter mark a positive milestone for our search for South Australia's next tier-1 copper deposit.

Intersecting IOCG-style mineralisation from only 122m depth is proof of concept of the potential of the Peake Project to host an IOCG-style deposit in this under-explored corner of South Australia.

After six years of building a dominant ground position at our Peake Project and meticulously going through all the steps to identify large scale targets, I firmly believe Copper Search is in a prime position to make a significant discovery in 2023.

The team and I look forward to the results from the ongoing drilling program which will continue for most of 2023 as we drill test our highest priority targets and identify new targets on the way.

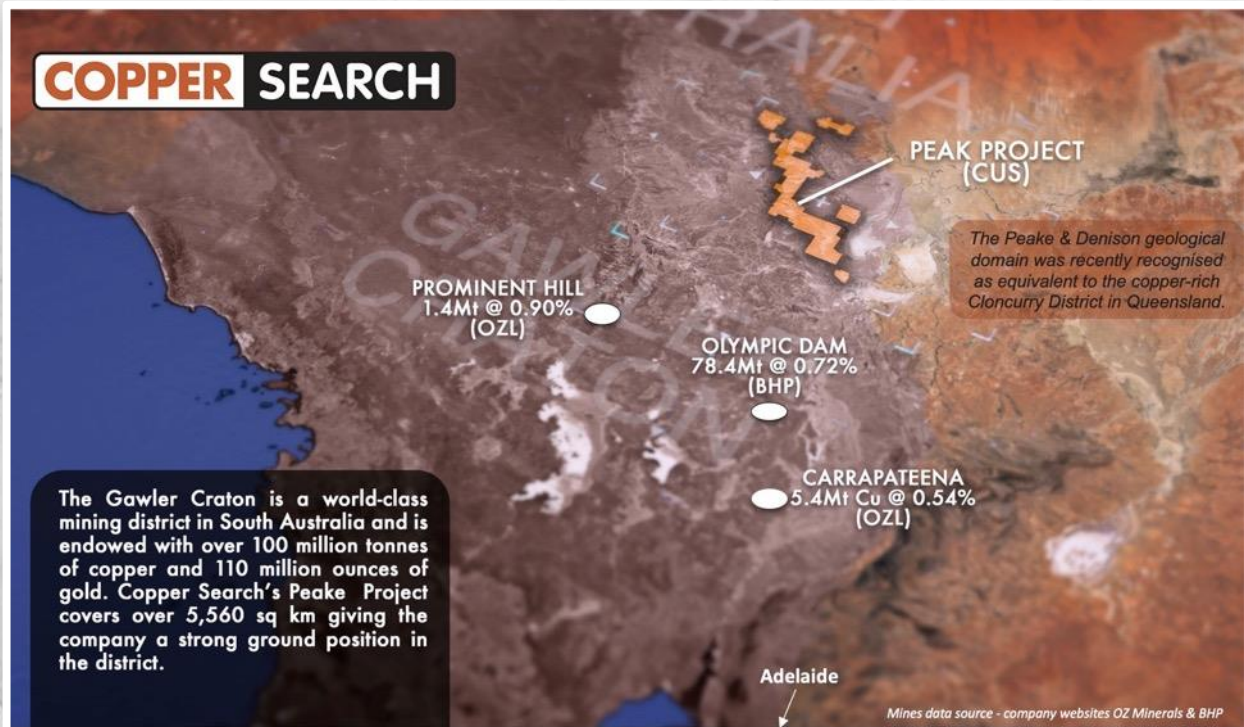
- CEO Duncan Chessell



DETAILS

THE PEAKE PROJECT

- Copper Search has 100% ownership of the 5,560km² Peake Project.
- The project is prospective for IOCG and ISCG-style deposits.
- Recent proof of concept by Copper Search in 2023 drilling is further supported by adjacent explorer Demetallica, funded by OZ Minerals (ASX: OZL), confirmed the prospectivity for Ernest Henry-style IOCG – copper mineralisation in drilling in 2022 (ASX: DRM 5 October 2022).
- The Company committed to drill test four (4) high-priority potential IOCG and one (1) ISCG-style drill target identified from over 40 geophysical anomalies.
- Regional exploration activities are ongoing to assess opportunities in the northern half of the project.



A NEW UNDERSTANDING OF THE PEAKE & DENISON DISTRICT

The Peake Project is located in the Gawler Craton and is prospective for largescale copper (IOCG) deposits. Until 2022 the area was relatively underexplored as the age of the potential deposit-forming rocks was 50Ma younger than IOCG examples elsewhere in the Gawler Craton.

However, in 2022 that view changed...

Results of a massive government airborne geophysics program challenged the conventional geological models and suggested the district may be prospective for Cloncurry age & style of IOCG and ISCG deposits. This new viewpoint was confirmed in drilling by adjacent explorer Demetallica, funded by OZ Minerals (ASX: DRM 5 October 2022).

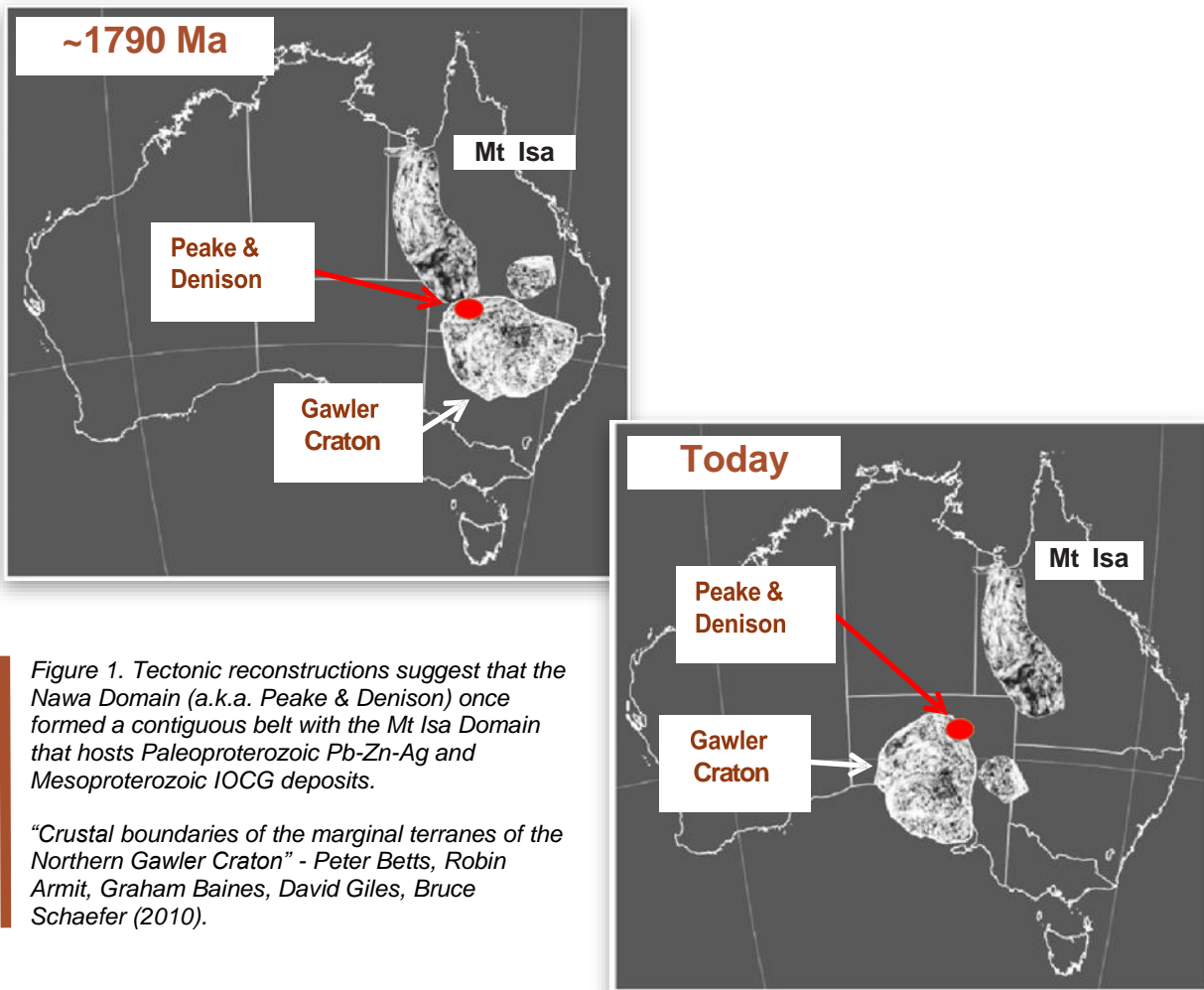


Figure 1. Tectonic reconstructions suggest that the Nawa Domain (a.k.a. Peake & Denison) once formed a contiguous belt with the Mt Isa Domain that hosts Paleoproterozoic Pb-Zn-Ag and Mesoproterozoic IOCG deposits.

"Crustal boundaries of the marginal terranes of the Northern Gawler Craton" - Peter Betts, Robin Armit, Graham Baines, David Giles, Bruce Schaefer (2010).

EXPLORATION ACTIVITIES

SOUTHERN HALF – DRILL TESTING COMMENCED

Over the course of 2022 and the first quarter of 2023, Copper Search completed a detailed review of the Peake Project and a rigorous program of geophysical surveys and modelling. The results 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).

The new exploration methodology and data were then used to re-rank over 40 potential targets across the Peake Project. Each target was also judged against known IOCG deposits to provide an absolute scale to justify drilling. This process focussed the list down to thirteen targets for infill geophysics, heritage clearances and further investigation.

During the June quarter, the Copper Search team added a further 710 new gravity stations at AC23, AC30, and Curdimurka to improve the geological model and finalise drill targeting.

In late April, Copper Search was pleased to announce that it had finalised drill targeting and had commenced drill testing the five highest priority targets - starting with Target AC23.

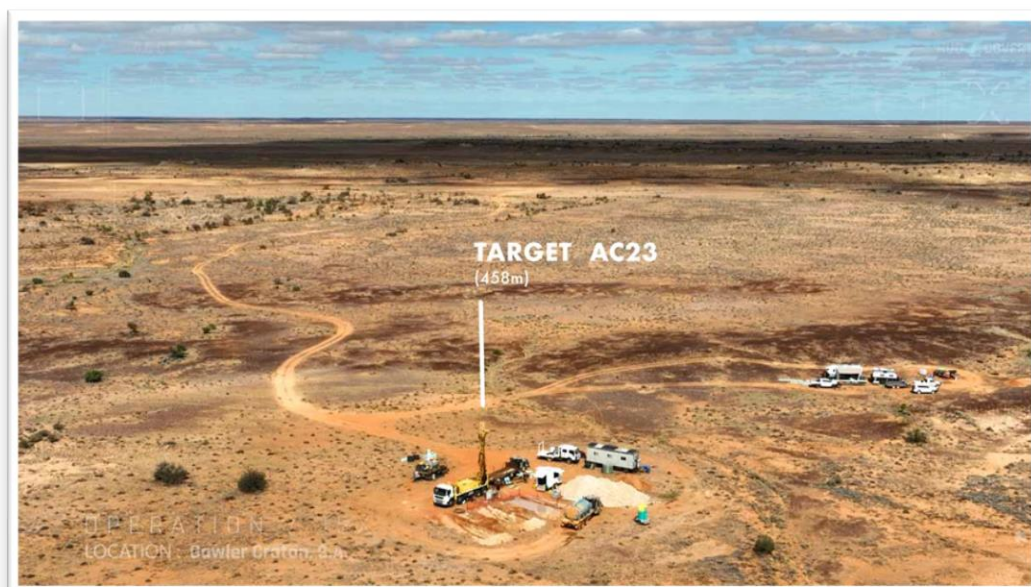


Figure 2. Target AC23 is located on the fertile Karari Shear Zone, along structure from Demetallica's Wills Prospect – known IOCG mineralisation. It is identified by a significant 3.8 mGal gravity anomaly with a footprint of 1,400m by 800m.

THE TARGETS

Drill Target	Gravity Anomaly (mGal)	Magnetic Response (SI x10 ⁻⁵)	Modelled Size of highest gravity iso-shell (width x length x thickness)	Depth to Top of modelled highest density (m)	Description
AC30	1.5	n/a ISCG Target	n/a EM response 800m strike	n/a depth to EM response 220m	ISCG Target – strong MLEM and AEM response Drilling underway
AC23	3.8	weak	800 x 1400 x 1300m	300m	Along structure on the Karari Shear zone from Wills Prospect – known IOCG mineralisation, strong gravity anomaly *Drilled to 458m, cased to allow for extension, IP survey results analysis underway
CU01	5.1	6,000	600 x 2000 x 900m	1,100m	Good target – but deep, coincident gravity-magnetics, in excellent structural setting, strong mGal value
CA06	2.3	1,000	650 x 1300 x 1500m	200m	Discrete gravity feature
RH02	1.7	8,000	320 x 360 x 400m	480m	Completed – no significant visible sulphides

Target AC23 - Assays confirm IOCG style mineralisation in drilling

On 27 April 2023, Copper Search announced it had commenced drilling at Target AC23. The drill hole (#23PK01) was completed to a depth of 458m, the limit of rods. The exploration team determined on site to leave the hole cased to allow for a deepening of the hole subject to assays and results of further geophysics surveys.

In late July, Copper Search received the assay results for drill hole 23PK01, which showed that it had intersected multiple narrow intervals of typical IOCG elements, including: copper up to 0.45%; gold up to 5.35 g/t Au; uranium up to 64 ppm; and IOCG pathfinder elements Ce+La up to 2025 ppm (ASX release 24 July 2023).



image: Quartz vein (15cm) with bornite (blue), pyrite and minor chalcopyrite at 221.2m

Drill Intersection Highlights 22PK01

- *Minor native Copper present from 122m on fractures*
- **0.5 metres of 0.45% Cu and 0.67 g/t Au from 152m**
- *7.1 metres of 0.15% Cu and 0.05 g/t Au from 183m*
- *12.7 metres of 0.14% Cu and 0.55 g/t Au from 293m; including*
 - **1.2metres @ 0.44% Cu and 0.21g/t Au from 305m; and**
 - *5.5 metres @ 0.14% Cu and 1.13 g/t Au from 293m; including*
 - **1.1 metres @ 0.15% Cu and 5.35 g/t Au from 293m**

A new IP geophysics survey was completed in the second half of July and will be used to refine any potential follow-up drill testing further. A larger UDR1200 drill rig capable of drilling diamond core to >2,000m depth has since been mobilised to test the other targets and is available to extend drill hole 23PK01.

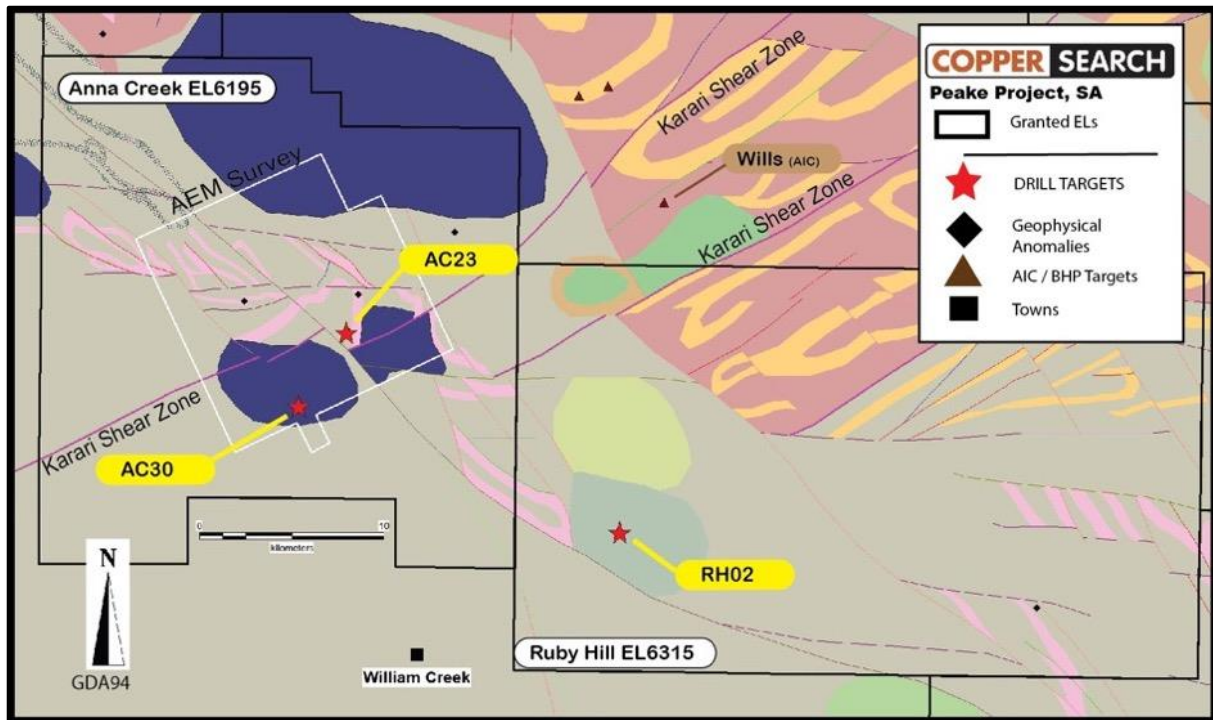


Figure 3. CUS Anna Creek – Ruby Hill Tenements (EL6195, EL6315) with AEM survey area (white polygon), showing the location of CUS drill targets and neighbouring Wills Prospect (AIC Mines / OZ funded) where in late 2022 IOCG mineralisation was intersected in drilling (ASX A1M: DRM 18/1/2023). Base layer is an interpreted basement and structural geology map (PGN Geoscience 2022).

Target AC30 – Drilling Commenced

During the quarter Copper Search completed a follow-up ground-based moving loop electromagnetic (MLEM) geophysics survey at Target AC30 (located close the Karari Shear Zone, 5km southwest of Target AC23) to verify the results of an airborne electromagnetic (AEM) survey completed in early 2023.

In July the results of this survey were released (ASX release 10 July 2023) and confirmed the presence of a new high-priority drill Target that is approximately 800m in strike length, dips to the south and is interpreted to be a structurally controlled sulphide system - potentially an Iron Sulphide Copper Gold (ISCG) mineral system with an associated co-incident 1.5 mGal gravity anomaly.

Drill testing has commenced on Target AC30 in late July 2023.



Figure 4. Drilling at Target RH02 with UDR1200 rig

Target RH02 – Drilling Completed

In June Copper Search completed diamond core drilling on Target RH02 to a depth of 622m. The drilling explained the modelled magnetic and gravity anomaly. Selective samples were collected for lithological and geochemical reference, but no significant visible sulphides were observed (ASX release 10 July 2023).

UPCOMING ACTIVITIES

Over the next quarter, Copper Search anticipates a considerable amount of news flow – including:

- Drilling on high-priority drill targets to continue across the southern half of the Peake Project
- Assay results from drilling at Target AC30
- Results of follow up geophysics surveys at Target AC23
- Final results of the 1,500 line-km Airborne EM (AEM) survey
- Continued follow up of regional programs to identify potential drill targets in the northern half of the Peake Project



CORPORATE ACTIVITIES

CFO APPOINTMENT

In May, Copper Search was pleased to announce the appointment of Mr Jarek Kopias as Chief Financial Officer (CFO).

Mr Kopias is an experienced resource CFO and is also currently the Copper Search Company Secretary (Co Sec). Jarek has held numerous financial and governance leadership roles in the resources sector through his career. Jarek is currently the Company Secretary of several ASX listed companies and has supported numerous entities in both capacities over the past 12 years. He started his career with five years at BHP's Olympic Dam operations in various finance roles at the mine site.

CASH BALANCE

Copper Search finished the quarter (30 June 2023) with \$5.8 million in cash and is well-funded to undertake further exploration activities on its Gawler Craton tenements.

SHARE CAPITAL CHANGES

During the quarter, the Company issued unquoted performance rights as remuneration as detailed 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	2,186,000	1,200,000
No changes	-	-	-	-	-
Total securities on issue at the date of this report	52,794,895	29,613,047	2,750,000	2,186,000	1,200,000

Authorised for release by the Board of Copper Search Limited.

For further information, please contact Duncan Chessell.

Duncan Chessell

CEO & Exploration Manager

Copper Search Limited

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APPENDICES

MINING PRODUCTION, DEVELOPMENT AND EXPLORATION ACTIVITIES

The Group has incurred \$911k in relation to 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 on these activities (disclosure per ASX listing rule 5.3.2).

TENEMENT TABLE – 30 June 2023

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	Stuart Creek	100%	-	
6314	Callanna	100%	-	
6315	Ruby Hill	100%	-	
6808	Spring Hill	100%	-	
6862	Mt Denison	100%	-	
6899	Blyth Creek	100%	-	

The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

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 June 2023	Remaining balance	Material variance explanation
Peak & Denison	2,423	389	2,034	Programs now commenced after rain events in 2022 disrupted plans. Gravity occurred late 2022 and AEM surveys in 2023. Further works to follow.
Mt Arthur	1,169	106	1,063	Anticipated works to commence in year 2 now. Large rain events early in 2022 disrupted plans. Further ground-based geophysics completed in late 2022, analysis underway.
Ruby Hill	2,982	3,162	(180)	Progressing in line with planned expenditure. Drilling works to commence a few days' time.
Billa Kalina	2,731	616	2,115	Geophysics and drilling completed. Technical review concluded no further work recommended. Tenements relinquished.
North Titan	797	96	701	Technical review concluded no further work recommended. Tenements relinquished.
Other exploration - new tenement(s)	0	242	(242)	New opportunities next to existing tenements. Same business model. Not envisaged in Prospectus.
Total exploration	10,102	4,611	5,491	
Costs of the IPO	720	725	(5)	As planned
Plant and equipment	0	350	(350)	Not material. Plant & Equipment purchased to reduce rental costs and offsets project expenses.
Corporate administration and working capital	2,128	1,971	157	Minor additional costs incurred with the relocation of the corporate office to Adelaide from Perth, otherwise in line with expected.
R&D tax incentive	0	(533)	533	Not included in Prospectus. A positive.
TOTAL	12,950	7,124	5,826	

RELATED PARTY PAYMENTS

Copper Search discloses that payments to related parties of the Company and their associates during the quarter totalled \$47k - relating to the payment of Non-Executive Director fees paid as salaries and to entities nominated by relevant Directors.

JUNE 2023 QUARTER ASX ANNOUNCEMENTS

The following significant announcements and exploration results were lodged with ASX during the June Quarter and subsequent.

2023	Title of Announcement
27 April	Drilling Commenced on High-Priority IOCG Targets
8 May	Peake Project Drilling Update - High-Priority IOCG Targets
26 May	CFO Appointment
10 July	Geophysical Surveys and Drilling Update - Peake Project
24 July	Assays Confirm IOCG Style Mineralisation at Peake Project

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 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(911)	(2,571)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(110)	(532)
	(e) administration and corporate costs	(96)	(614)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	43
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	823
1.8	Other (provide details if material)	5	14
1.9	Net cash from / (used in) operating activities	(1,098)	(2,837)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(88)	(264)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(88)	(264)

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	6,966	8,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,098)	(2,837)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(88)	(264)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,780	5,780

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	5,780	6,966
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)	5,780	6,966

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	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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. 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)	(1,098)
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)	(1,098)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,780
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	5,780
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.3
<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	
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: 27 July 2023

Authorised by: the Board of the Company (Copper Search Limited)
(Name of body or officer authorising release – see note 4)

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.