

COPPER SEARCH

OPERATION / 15X
LOCATION : Gawler Craton, S.A.

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QUARTERLY REPORT

December 2023

24 January 2024

Copper Search Limited (ASX: CUS) (Copper Search or the Company) is pleased to present its Quarterly Activities Report for 31 December 2023

SUMMARY

Exploration

The December Quarter saw Copper Search (ASX: CUS) intensify its exploration efforts on the Paradise Dam Prospect (formerly Target AC23) on the Peake Project in the Gawler Craton, South Australia. This target became a high priority for the company after the initial drilling returned results with narrow intervals of typical IOCG elements (Cu, Au, U, La, Ce). It is positioned 18km southwest along the fertile Karari Shear Zone (KSZ) from the Wills Prospect, where neighbouring explorers also intersected IOCG-style mineralisation in 2022 (ASX: A1M/DRM announcement 18/1/2023).

To accelerate the exploration process, the Copper Search team added a second drill rig to simultaneously undertake follow-up RC drilling at the Paradise Dam prospect while continuing its ongoing commitment to testing several other large-scale targets across the Peake Project.

As part of the team's methodical approach to exploration, Copper Search also undertook new IP surveys with the aim of defining the full extent of the chargeability anomaly at the Paradise Dam Prospect. The initial results from the survey have been very encouraging and extended the chargeability zone to the south of the prospect.

Further IP surveys are currently underway, and once completed, a heritage survey is planned in February prior to follow-up drilling.

Corporate

Copper Search successfully completed a placement to directors and sophisticated investors to raise \$1.2 million to conduct follow-up exploration on the Peake Project.

The cash position on 31 December 2023 was \$3.3 million.

Capital Structure

Ordinary Shares
Issued 92 M

Options and rights
Unlisted options 12 M
Unlisted performance rights 2 M

Cash Position

Dec Quarterly
\$3.3 million

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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



The December Quarter was the beginning of a new stage of our exploration efforts on the Peake Project, as we began to really lean in on the Karari Shear Zone, and in particular the Paradise Dam Prospect in and around our first drill hole of 2023 which intersected IOCG-style mineralisation at 23PK01.

I was very pleased with our team's ability to add the follow up RC drilling program to our existing exploration program and I look forward to receiving the assays from that drilling. I'm also encouraged by the initial results of the IP chargeability anomaly adjacent to drill hole 23PK11.

2023 was a very productive year for Copper Search and has put us in a good position to move the Peake Project forward in 2024.

- CEO Duncan Chessell



DETAILS

THE PEAKE PROJECT

- Copper Search has 100% ownership of over 5,000km² of highly prospective ground in the Gawler Craton
- The project is prospective for IOCG, ISCG and BHT-style deposits
- This potential is supported by the drilling success at CUS's Paradise Dam Prospect and by adjacent explorer Demetallica Limited (now owned by AIC Mines) and funded by OZ Minerals (now owned by the BHP Group), who intersected Ernest Henry-style IOCG – copper mineralisation in drilling in 2022 (ASX: A1M/DRM 5 October 2022) on the Karari Shear Zone
- The Company committed to drill test a pipeline of potential IOCG and ISCG-style drill targets identified on the Karari Shear Zone within Copper Search's tenements
- Regional exploration activities are ongoing to assess other opportunities



Figure 1. The Peake Project Location

A FOCUS ON THE KARARI SHEAR ZONE

The Karari Shear Zone (KSZ) is a long-lived deep-tapping fault that creates a permissive structural setting for forming IOCG-style mineral systems and is interpreted to be a conduit for mineralised fluids. Drill testing targets in and adjacent to the KSZ are the priority for the Company in the immediate future.

Positively, the cover is only thin, only 67m in places, at the Paradise Dam Prospect, and the Cadnaowie Sandstone, which outcrops on the western side of KSZ due to its elevation, is a recharge zone for the Great Artesian Basin (GAB) aquifers. Drilling is therefore simpler and cheaper on the western side of the KSZ within the Company's tenure. While the fertile KSZ remains prospective to the east, 8km east of AC23 at Target AC02, the cover deepens to 280m, and as it trends further eastwards from AC02, the cover deepens towards Lake Eyre to >700m, and the sandstone units forming the aquifer of the GAB become overlain with the bulldog shale and are pressurised, making drilling technically challenging and expensive.

The Company has carefully undertaken innovative passive seismic surveys, validated by drilling in 2023, to accurately predict depth to the basement and identify uplifted blocks that can give false gravity anomalies, to avoid drill testing false gravity anomalies.

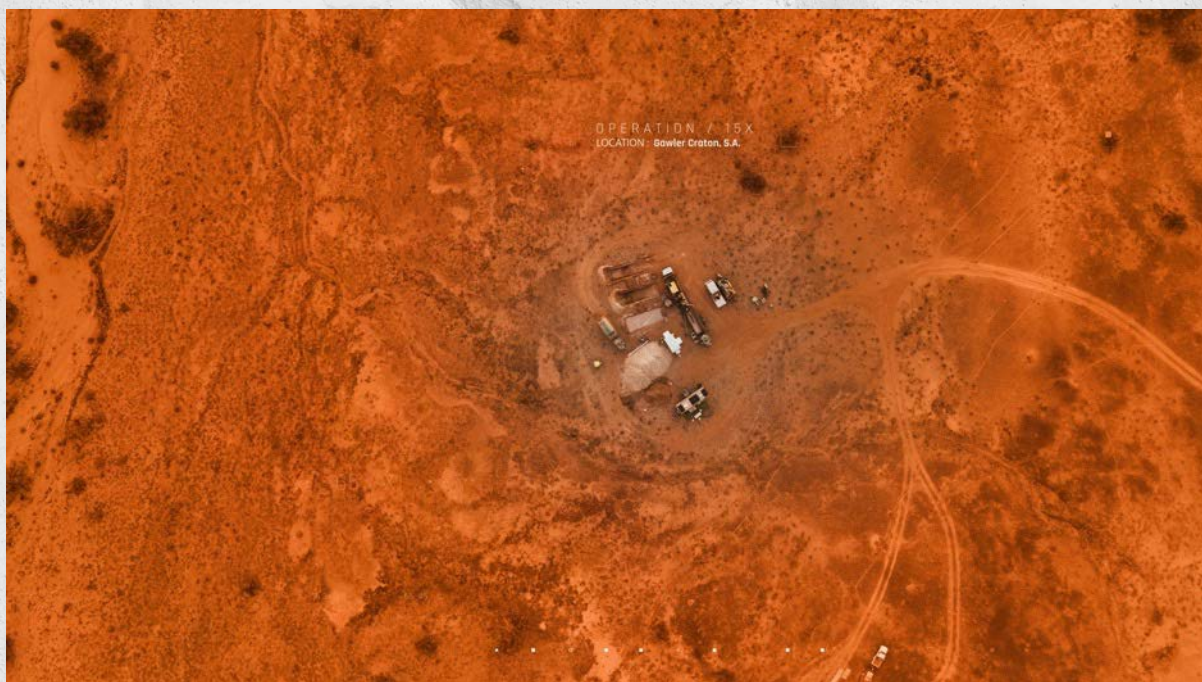


Figure 2. Drilling on the Karari Shear Zone (2023)

EXPLORATION ACTIVITIES

Over the course of 2022 and the first half of 2023, Copper Search conducted a thorough program of geophysical surveys and modelling, as well as a detailed review of the Peake Project. The results of this process 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). In April 2023, Copper Search began an extensive program to drill test a pipeline of targets unearthed by the Copper Search team.

An Increased Focus on The Paradise Dam Prospect

In early October, the Company accelerated the exploration of the Peake Project with the addition of an RC drill rig to undertake a six-hole (1,791m) drill program, with one diamond core tail on drill hole 23PK11, at the Paradise Dam Prospect. The program was conducted alongside the diamond core drill program and was designed to follow up IOCG-style mineralisation intersected in drillhole 23PK01 and to test two geophysical features: a ~1,400m long by ~800m-wide modelled gravity anomaly and a chargeable IP anomaly interpreted to be directly on the cross-cutting structures identified by a company IP survey conducted in mid-2023. The program was successfully completed in November and samples were sent to the laboratory.

Assays Pending

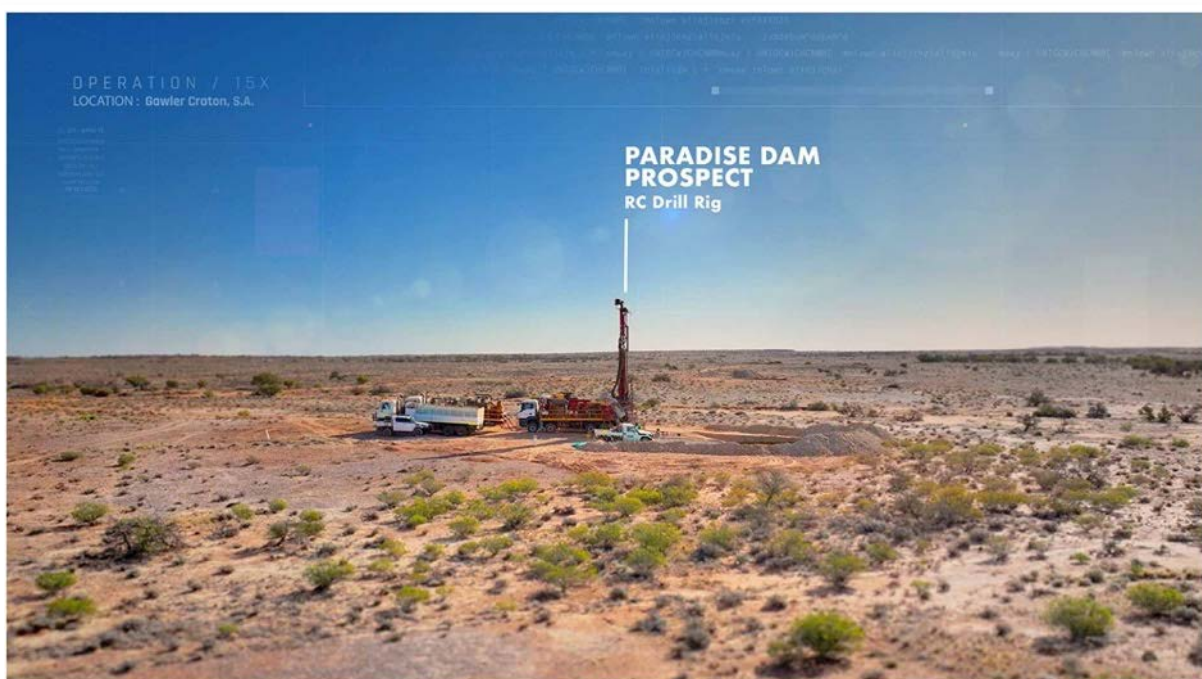


Figure 3. Drilling at Paradise Dam Prospect (October 2023)

Follow Up Geophysics

In addition to the RC drilling program, in **December**, the Company commenced follow-up IP geophysical surveys at the Paradise Dam Prospect to test the full extent of the chargeability zones detected in mid-2023. The initial results of the new survey identified a 1,200m southern extension that is interpreted to be caused by disseminated sulphides along a significant structure adjacent to drill hole 23PK11. The results indicate that the chargeability zone remains open to the south and along the structure. The crews are now back in the field to complete the survey program and test the full extent of the chargeability anomaly.

Full Results Pending

The full results of the IP survey, assays from the completed RC program and the heritage survey planned for February will inform follow-up drill planning on the promising Paradise Dam Prospect in 2024.

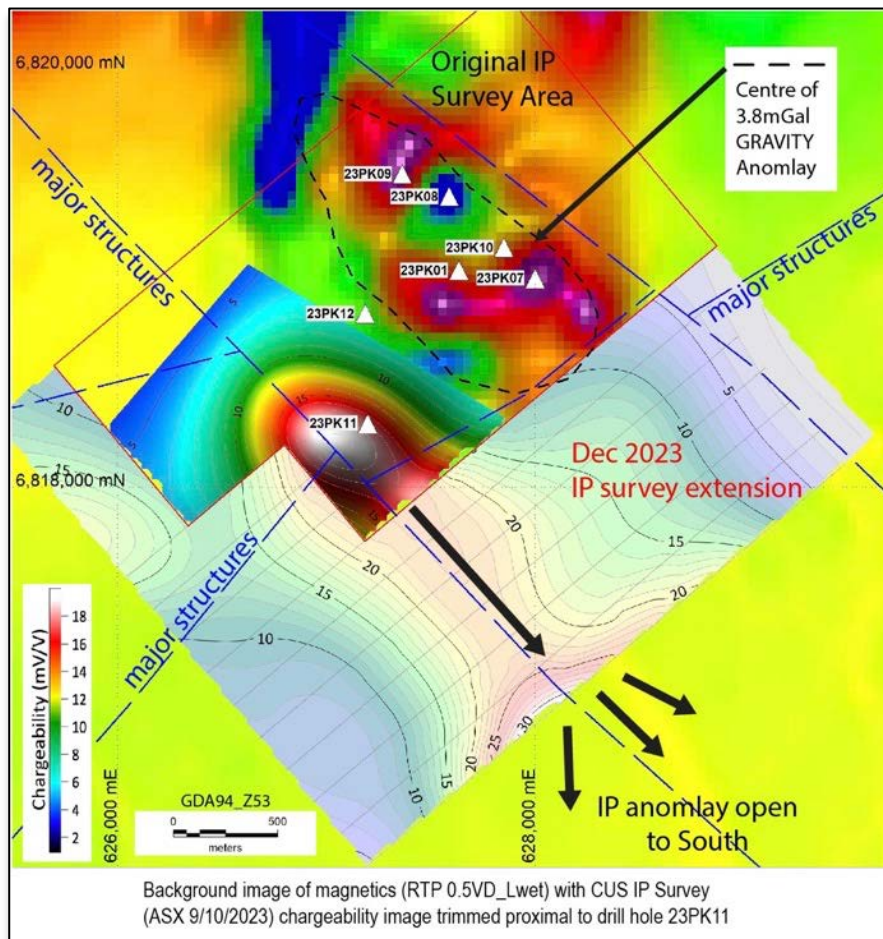


Figure 4. Paradise Dam Prospect, (EL6195) recent drill holes (white triangles), background image magnetics (source government SARIG website), with IP chargeability (mV/V) overlain proximal to drill hole ID 23PK11 from CUS, major structures in dash blue lines, with chargeability anomaly open to southeast and southwest along regional scale structures. The dashed black polygon indicates gravity anomaly (3.8mGal). RC drill holes target the de-magnetised, magnetised, and margin of the gravity anomaly (see ASX announcement “Geophysical Surveys and Drilling Update - Peake Project” on 1 July 2023).

Drilling at the other IOCG Targets on the Peake Project



Figure 5. Drilling at AC02 (October 2023)

In late October, Copper Search announced it had completed two diamond core holes on Target AC02, hole ID 23PK05 to 571m on the magnetic target and hole ID 23PK06 to 703m on the gravity target. Detailed logging, core-cutting, and sampling have been completed. Assaying of selected intervals is pending.

Assays Pending

UPCOMING ACTIVITIES

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

- Drilling results from follow-up drilling at the Paradise Dam Prospect
- Drilling results from diamond core drilling at Target AC02
- Full IP survey results from the Paradise Dam Prospect
- Plans for further follow-up drilling on the Paradise Dam Prospect

CORPORATE ACTIVITIES

Successful Capital Raise

Copper Search successfully completed a private placement to directors and sophisticated investors to raise \$1.2 million before costs. The Company issued a total of 9,338,845 fully paid ordinary shares in the capital of the Company at an issue price of \$0.13 per share, raising \$1.0m from sophisticated investors and a further \$214k from Directors and other significant shareholders following shareholder approval. The Company also completed a rights issue, raising a further \$70k in the quarter.

Share Capital Changes

During the quarter, the Company issued shares and unquoted options in connection with capital raising activities as noted above and detailed below (items with a * occurred following the end of the quarter):

Copper Search Limited	Quoted	Unquoted			
Class of Security	Ordinary shares (ASX: CUS)	Options (\$0.50 15 Sep-24) (CUSAD)	Options (\$0.70 9 May-25) (CUSAE)	Options (\$0.26 18 Dec-26) (CUSAI)	Performance Rights (CUSAF)
On issue at start of the Quarter	82,407,942	2,750,000	1,200,000	-	2,030,000
Placement and rights issue	9,877,465	-	-	4,938,756	-
Broker fees	-	-	-	3,000,000	-
Lapse of performance rights*	-	-	-	-	(19,000)
Total securities on issue at the date of this report	92,285,407	2,750,000	1,200,000	7,938,756	2,011,000

Cash Balance

Copper Search finished the quarter (31 December 2023) with \$3.3 million in cash and is well funded to undertake further exploration activities on its Gawler Craton tenements.

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.

JORC Information

This report includes regional data from the South Australian Government SARIG website sourced from public data.

The Company confirms that it is unaware of any new information or data materially affecting the results cross-referenced in this announcement. References to neighbouring projects have been obtained from company websites, reports and/or ASX announcements.

DECEMBER 2023 QUARTER ASX ANNOUNCEMENTS

The following significant announcements and exploration results were lodged with ASX during the December Quarter and subsequently.

2023	Title of Announcement
9 October	Second Rig Commences Drilling
27 October	Drilling Commenced on IOCG Target
6 November	Successful Placement and Entitlement Offer
22 November	Drilling Update and Follow-up IP Geophysical Survey
22 December	Geophysical Survey Update - Peake Project

Abbreviations

Cu = Copper
Ce = Cerium
La = Lanthanum
Au = Gold
U = Uranium
BHT = Broken Hill Type
ISCG = Iron Sulphide Copper Gold
IOCG = Iron Oxide Copper Gold

APPENDICES

Mining Production, Development and Exploration Activities

The Group has incurred \$1,481k in relation to exploration activities during the quarter, as detailed above. The expenditure was incurred concerning exploration drilling, corresponding assays, travel and site access, including heritage clearance, geophysical surveys, and tenement maintenance costs.

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).

Appendix 5B includes a cash inflow for “administration and corporate costs” in item 1.2(e). The cash inflows have resulted from a change in BAS lodgements from quarterly to monthly, as well as the timing of exploration expenditure across the prior months.

Tenement Table – 31 December 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%	-	
6238	Stuart Creek	100%	-	
6314	Callanna	100%	-	
6315	Ruby Hill	100%	-	
6808	Spring Hill	100%	-	
6862	Mt Denison	100%	-	
6899	Blyth Creek	100%	-	

Authorised for release by the Board of Copper Search Limited.

For further information, please get in touch with Duncan Chessell.

Duncan Chessell

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 Copper Search Limited
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duncan@coppersearch.com.au

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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,481)	(3,179)
(b) development	-	-
(c) production	-	-
(d) staff costs	(162)	(306)
(e) administration and corporate costs	23	(162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	34	72
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	14	23
1.9 Net cash from / (used in) operating activities	(1,572)	(3,552)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(81)
(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 (6 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	-	(81)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,284	1,284
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	(103)	(130)
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) - lease payments	(7)	(14)
3.10	Net cash from / (used in) financing activities	1,174	1,140
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	3,685	5,780
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,572)	(3,552)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(81)

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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,174	1,140
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,287	3,287

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	3,287	3,685
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)	3,287	3,685

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.

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. 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)	(1,572)
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)	(1,572)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,287
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,287
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.1
<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	

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

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: 24 January 2024

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.