

Copper Search Limited

ABN 78 650 673 500



Annual Financial Statements - 30 June 2021

Copper Search Limited
Corporate directory
30 June 2021

Directors	Chris Sutherland Peter McIntyre Tony Belperio Greg Hall
Company secretary	Rance Dorrington
Registered office	11 Moreau Mews Applecross WA 6153 Phone: +61(0)8 6159 9100
Principal place of business	11 Moreau Mews Applecross WA 6153 Phone: +61(0)8 6159 9100
Share register	Automic Ltd Level 5 126 Phillip Street Sydney NSW 2000
Auditor	BDO Audit (WA) Pty Ltd Level 1 38 Station Street Subiaco WA 6008
Solicitors	Thomson Geer Level 27 Exchange Tower 2 The Esplanade Perth WA 6000
Stock exchange listing	Subsequent to the year end, Copper Search Limited has listed its shares on the Australian Securities Exchange (ASX code: CUS)
Website	www.coppersearch.com.au
Corporate Governance Statement	www.coppersearch.com.au

Copper Search Limited
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'the Group') consisting of Copper Search Limited (referred to hereafter as the 'company' or 'parent entity' or 'CUS') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were directors of Copper Search Limited since incorporation (2 June 2021) and up to the date of this report, unless otherwise stated:

Chris Sutherland (appointed 2 June 2021)
Peter McIntyre (appointed 25 June 2021)
Tony Belperio (appointed 25 June 2021)
Greg Hall (appointed 25 June 2021)
Rance Dorrington (appointed 2 June 2021, ceased 11 July 2021)
Martin Spivey (appointed 2 June 2021, ceased 11 July 2021)

The following persons were directors of Copper Search Australia Pty Ltd (now a wholly owned subsidiary of Copper Search Ltd (CUS)) for the whole of the financial year and up to the date of this report, unless otherwise stated:

Chris Sutherland
Peter McIntyre (appointed 01 May 2021)
Tony Belperio (appointed 01 May 2021)
Greg Hall (appointed 01 May 2021)
Rance Dorrington (ceased 18 May 2021)
Martin Spivey (ceased 18 May 2021)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of exploration activities at the consolidated entity's minerals exploration tenements situated in South Australia.

Dividends

No dividends were paid during the financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$914,513 (30 June 2020 loss: \$673,804). This position reflects in part the consolidated entity's policy of immediately writing off any greenfields exploration expenditure as it is incurred rather than capitalising these costs.

The financial position of the consolidated entity has been strengthened through the year by the issue of seed capital and from the early call and exercise of all outstanding options leading up to the ASX listing occurring after the end of the financial year. At the end of the year cash balances were \$905,020. This has provided sufficient cash flow to meet the costs of preparing an IPO and ASX listing as well as continuing to engage in exploration activities on all the current tenements held in South Australia.

Significant changes in the state of affairs

During June 2021 the consolidated entity entered into an arrangement whereby 100% of the shares in Copper Search Australia Pty Ltd were swapped 1:1 with the identical parties for shares in Copper Search Limited. This arrangement, also known as a 'Top-Hat' arrangement facilitated the subsequent IPO.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

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Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has caused some delays and difficulties in arranging on-ground exploration activities throughout the year for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Since 30 June 2021, the Consolidated Group has completed an initial public offering "IPO" to raise \$12M through the issue of an additional 34,285,715 ordinary shares and completed the listing of the Group on the Australian Securities Exchange ("ASX") on 15 September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity intends to expand its exploration activities on existing projects with significant greenfields drilling and exploration activities to be conducted throughout the year. The consolidated entity may also consider the evaluation and acquisition of further suitable projects for exploration as opportunities arise.

The expanded exploration on green-fields activities will see a significant increase in the amount of exploration expenditure incurred compared to previous years. In addition, as the consolidated entity is now an ASX listed entity there is expected to be a significant increase in administration, corporate and governance costs which are required for the operation of an ASX listed entity.

Environmental regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration activities. The directors are not aware of any environmental law that is not being complied with.

Information on directors

Name:	Chris Sutherland
Title:	Non-Executive Chairman appointed 2 June 2021
Experience and expertise:	Chris Sutherland is an experienced executive who has held senior management positions in various engineering, maintenance, and contracting businesses with operations in Australia, Asia, Europe and the USA. He holds a Bachelor of Engineering (UWA) and completed the Advanced Management Program at Harvard Business School in 2001. For 20 years, he was in various engineering and management roles with leading engineering companies including Clough and WorleyParsons. He was then appointed Managing Director and Group CEO of Programmed from January 2008 until his retirement in September 2019. Programmed was a major public listed ASX company until October 2017 when it was acquired (for an enterprise value of A\$1 billion) by a major Japanese company. He has now commenced a non-executive director career as well as pursuing a number of private business interests.
Other current directorships:	Director – Matrix Engineering & Composites Ltd (appointed December 2020)
Former directorships (last 3 years):	Managing Director – Programmed Maintenance Services Ltd (2008 – September 2019) MACA Ltd (February 2020 – September 2020)
Special responsibilities:	Nomination & Remuneration Committee (Chair) / Audit & Risk Committee (Member)
Interests in shares:	1,566,666 ordinary shares
Interests in options:	None
Contractual rights to shares:	None

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Name: **Peter McIntyre**
Title: CEO / Director Appointed 25 June 2021
Experience and expertise: Peter McIntyre has both engineering and business degrees and has decades of experience in the minerals industry. He has been involved in the development of several major mining projects and at a corporate level, has established and steered various companies through their early stages, growing them into significant enterprises. Alligator Energy Ltd (ASX:AGE) and E79 Gold Mines Limited.
Other current directorships: Alligator Energy Ltd (ASX:AGE) and E79 Gold Mines Limited.
Former directorships (last 3 years): None
Special responsibilities: Nomination & Remuneration Committee (Member)
Interests in shares: 29,283,826 ordinary shares (including 25,799,980 shares owned by Macallum Group Ltd, an entity associated with Peter McIntyre)
Interests in options: 250,000 (post 30 June 2021)
Contractual rights to shares: None

Name: **Tony Belperio**
Title: Non-Executive Director appointed 25 June 2021
Experience and expertise: Tony Belperio is a highly regarded geologist with over 35 years' experience in a wide variety of geological disciplines, including marine geology, environmental geology and mineral exploration (including copper-gold exploration). He has an Honours Degree in Geology from the University of Adelaide, a PhD from James Cook University and has been awarded the University of Adelaide's Tate Memorial Medal, the Geological Society of Australia's Stillwell Award, the Bruce Webb Medal and AMEC's Prospector of the Year in 2003. He has held positions of Chief Geologist and Exploration Manager with Minotaur Gold, Minotaur Resources and Minotaur Exploration from 1996 to 2007 as well as playing a lead role in the discovery of the Prominent Hill IOCG deposit in 2001, and the Artemis and Jericho polymetallic deposits in the Cloncurry District during 2014-2017.
Other current directorships: Non-Executive Director of Minotaur Exploration Limited (ASX:MEP)
Former directorships (last 3 years): Thomson Resources Ltd (ASX:TMZ) ceased July 2019
Special responsibilities: Audit & Risk Committee (Member)
Interests in shares: 57,000
Interests in options: 250,000 (post 30 June 2021)
Contractual rights to shares: None

Name: **Greg Hall**
Title: Non-Executive Director appointed 25 June 2021
Experience and expertise: Greg Hall has over 30 years' experience in mine management, global commodities marketing, and CEO and Board roles with resource companies. This includes groups such as WMC, Rio Tinto, Toro Energy and Hillgrove Resources. He is currently CEO and Managing Director of Alligator Energy Ltd (ASX:AGE), a non-executive Director with Swedish exploration and mine development company Copperstone Resources AB, a Consultant with Rex Minerals Ltd, and a director of private company Torch Energy Ltd. Greg has a BE in Mining Engineering from the University of South Australia, and has extensive experience in stakeholder and community engagement, and is immediate Past President of the South Australian Chamber of Mines and Energy.

Other current directorships: CEO and Managing Director of Alligator Energy Ltd (ASX:AGE).
Former directorships (last 3 years): Nil
Special responsibilities: Audit & Risk Committee (Chair) / Nomination & Remuneration Committee (Member)
Interests in shares: 28,500
Interests in options: 250,000 (post 30 June 2021)
Contractual rights to shares: None

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Name: **Rance Dorrington** (ceased as director 11 July 2021)
Title: Company Secretary and Chief Financial Officer (continuing)
Experience and expertise: Rance Dorrington is an accountant and company secretary with extensive international experience in capital markets and corporate governance. He holds a Bachelor of Business (Curtin University). He was formally the Chief Financial Officer and Company Secretary of Extract Resources Limited. He is currently the Chief Financial Officer and Company Secretary of Macallum Group Limited.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 1,059,202 ordinary shares
Interests in options: None
Contractual rights to shares: None

Name: **Martin Spivey** (ceased as director 11 July 2021)
Title: Project Manager
Experience and expertise: Martin Spivey is a geologist with broad global exploration, evaluation and mining experience on multiple commodities. He was responsible for the discovery of the +500 million lb Husab uranium deposit in Namibia.

Other current directorships: Nil
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 1,600,000 ordinary shares
Interests in options: None
Contractual rights to shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Rance Dorrington (Bachelor of Business, CPA) has held the role of Company Secretary since 2 June 2021.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Chris Sutherland	2	2	-	-	-	-
Peter McIntyre	1	1	-	-	-	-
Tony Belperio	1	1	-	-	-	-
Greg Hall	1	1	-	-	-	-
Rance Dorrington	2	2	-	-	-	-
Martin Spivey	2	2	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The consolidated entity was only established on 2 June 2021 and prior to this Copper Search Australia Pty Ltd was privately held and unlisted and not required to and nor did it operate a formal executive reward framework. Going forward the consolidated entity intends to ensure reward for performance is competitive and appropriate for the results delivered and to ensure any framework established aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is expected to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') shall be responsible for ensuring that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy shall be to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee was established by the board on the 24 August 2021 and will be responsible for establishing an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework shall be designed to align executive reward to shareholders' interests. The Board will be considering that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of growth in share price as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration shall be separated.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments were initially set by the board and shall be reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees were determined by the board independently to the fees of other non-executive directors based on comparative roles in the external market. The Chairman does not participate in any discussions relating to the determination of his own remuneration.

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ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Prior to listing on the ASX a meeting was held and the aggregate non-executive directors' remuneration was initially set as being a maximum of \$250,000 in any year. Further to this, a limit of up to \$50,000 in any year for any single non-executive director and a limit of \$80,000 in any year for the position of Chair was set.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework when established is expected to have four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these shall comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, shall be reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program will be designed to align the targets of the business units with the performance hurdles of executives. STI payments will be granted to executives based on specific annual targets and the achievement of as yet to be set key performance indicators ('KPI's').

The long-term incentives ('LTI') will likely include long service leave and share-based payments. Shares will likely be awarded to executives over a number of years based on long-term incentive measures. These shall include an increase in shareholders value. The Nomination and Remuneration Committee will establish the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022. No such payments were made to executives during the year ended 30 June 2021.

Consolidated entity performance and link to remuneration

The Nomination and Remuneration Committee is only newly established but will be tasked with ensuring remuneration for certain individuals will be directly linked to the performance of the consolidated entity.

Annual General Meeting ('AGM')

The company has not as yet held an AGM, however voting on the remuneration report will be tracked and reported on and will be taken to provide guidance for the board and committees in relation to the management and governance of the consolidated entity in future periods.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

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The key management personnel of the consolidated entity consisted of the following directors of Copper Search Limited:

- Chris Sutherland - Non-Executive Chairman - Appointed 2 June 2021 (CSA Appointed 30 April 2020)
- Peter McIntyre - Director and Chief Executive Officer - Appointed 25 June 2021 (CSA Appointed 1 May 2021)
- Tony Belperio - Non-Executive Director - Appointed 25 June 2021 (CSA Appointed 1 May 2021)
- Greg Hall - Non-Executive Director - Appointed 25 June 2021 (CSA Appointed 1 May 2021)

And the following persons:

- Rance Dorrington - Company Secretary & Chief Financial Officer - Appointed 2 June 2021 (CSA Director Appointed 19 October 2017; Resigned 18 May 2021)
- Martin Spivey - Project Manager - Appointed 2 June 2021 (CSA Director Appointed 22 May 2019; Resigned 18 May 2021)
- Chris Reindler - Non-Executive Director of CSA (CSA Director Appointed 19 October 2017; Resigned 30 April 2020)

Other than the commencement of service agreements discussed below, there have been no changes since the end of the reporting period.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments		Total	
	Cash salary and fees	Cash Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares		Equity-settled options
2021	\$	\$	\$	\$	\$	\$	\$	
<i>Non-Executive Directors:</i>								
Chris Sutherland	10,833	-	-	1,029	-	-	53,007	64,869
Tony Belperio	5,833	-	-	554	-	-	-	6,387
Greg Hall	5,833	-	-	554	-	-	-	6,387
<i>Executive Directors:</i>								
Peter McIntyre	-	-	-	-	-	-	-	-
<i>Other Key Management Personnel*:</i>								
Rance Dorrington	-	-	-	-	-	-	13,252	13,252
Martin Spivey	-	-	-	-	-	-	13,252	13,252
	<u>22,499</u>	<u>-</u>	<u>-</u>	<u>2,137</u>	<u>-</u>	<u>-</u>	<u>79,511</u>	<u>104,147</u>

* Key Management Personnel were employed and paid by Macallum Group Ltd up to 30 June 2021 and any costs for the provision of services were re-charged to the consolidated entity on invoices raised each month.

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2020	Cash salary and fees \$	Short-term benefits		Post employment benefits	Long term benefits	Share based payments		Total \$
		Cash Bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled shares \$	Equity-settled options \$	
<i>Non-Executive Directors:</i>								
Chris Sutherland	-	-	-	-	-	-	-	-
<i>Other Key Management Personnel:</i>								
Rance Dorrington	-	-	-	-	-	-	-	-
Martin Spivey	-	-	-	-	-	-	-	-
Chris Reindler	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Chris Sutherland	18%	-	82%	-	-	-
Peter McIntyre	-	-	-	-	-	-
Tony Belperio	100%	-	-	-	-	-
Greg Hall	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Peter McIntyre	-	-	-	-	-	-
<i>Other Key Management Personnel:</i>						
Rance Dorrington	-	-	100%	-	-	-
Martin Spivey	-	-	100%	-	-	-
Chris Reindler	-	-	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Peter McIntyre
Title:	Director and Chief Executive Officer
Agreement commenced:	01 July 2021
Term of agreement:	Not defined - Commenced from end of current reporting period
Details:	Base fee payable to Macallum Group Ltd for the provision of a CEO of \$77,000 per annum. This engagement will continue until such time as an alternative CEO of Copper Search is appointed, or Copper Search or Macallum terminates the agreement by giving 1 months notice. Where continuing as a non-executive Director a fee of \$35,000 per annum shall be payable instead.

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Name: Rance Dorrington
Title: Company Secretary & CFO
Agreement commenced: 01 July 2021
Term of agreement: Not defined - Commenced from end of current reporting period
Details: Base consultancy fee for the year ending 30 June 2022 of \$198,360. 3 month termination notice by either party.

Name: Martin Spivey
Title: Manager – Exploration
Agreement commenced: 01 July 2021
Term of agreement: 2 years
Details: Base minimum fee payable to Macallum Group Ltd for the provision of Geological Services of \$102,000 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

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Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 however options previously issued were exercised in June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Date vested*	Exercise price	Fair value per option at grant date
Chris Sutherland	1,000,000	11.12.2020	11.12.2022	10.6.21	\$0.10	\$0.053
Rance Dorrington	250,000	11.12.2020	11.12.2022	10.6.21	\$0.10	\$0.053
Martin Spivey	250,000	11.12.2020	11.12.2022	10.6.21	\$0.10	\$0.053

* One of the conditions with the granting of the options was that an earlier vesting date and an early call for exercise of the options would be triggered if the Company proceeded to an ASX listing in the future. This was deemed to have occurred and 100% of the options were vested and called to be paid with 100% of the options being exercised on or before 10 June 2021

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Original Expiry date	Share price value at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2020	11/12/2022	\$0.10	\$0.10	100%	Nil	2%	\$0.053

Options carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Chris Sutherland	53,007	53,007	-	82%
Rance Dorrington	13,252	13,252	-	100%
Martin Spivey	13,252	13,252	-	100%

Additional information

The earnings of the consolidated entity for the three years to 30 June 2021 are summarised below:

	2021 \$	2020 \$	2019 \$
Other revenue	134,240	686	388,628
Loss after income tax	(914,513)	(673,804)	(706,192)

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The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019
Share price at financial year end (\$)	N/A	N/A	N/A
Total dividends declared (cents per share)	Nil	Nil	Nil
Basic loss per share (cents per share)	(2.27)	(6.53)	(11.80)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company #1 held during the financial year by each director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Chris Sutherland	250,000	-	1,316,666	-	1,566,666
Peter McIntyre	5,345,166	-	23,788,660	-	29,133,826
Tony Belperio	-	-	-	-	-
Greg Hall	-	-	-	-	-
Rance Dorrington	220,000	-	403,202	-	623,202
Martin Spivey	750,000	-	850,000	-	1,600,000
	<u>6,565,166</u>	<u>-</u>	<u>26,358,528</u>	<u>-</u>	<u>32,923,694</u>

Option holding

The number of options over ordinary shares in the company #1 held during the financial year by each director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

	Balance at the start of the year #2	Granted #2	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Chris Sutherland	250,000	1,000,000	(1,250,000)	-	-
Peter McIntyre	1,000,000	-	(1,000,000)	-	-
Tony Belperio	-	-	-	-	-
Greg Hall	-	-	-	-	-
Rance Dorrington	110,000	250,000	(360,000)	-	-
Martin Spivey	600,000	250,000	(850,000)	-	-
	<u>1,960,000</u>	<u>1,500,000</u>	<u>(3,460,000)</u>	<u>-</u>	<u>-</u>

Other transactions with key management personnel and their related parties

During the financial year, there were payments of \$411,856 (2020: \$287,824) made to Macallum Group Ltd, a director-related entity. The current trade payable balance as at 30 June 2021 was \$36,021 (2020: \$23,208)

#1 All shares & options issued and granted during the year were issued by Copper Search Australia Pty Ltd. All of the resulting shares acquired were swapped 1:1 under the 'Top-Hat' restructure undertaken in June 2021 prior to IPO of the Company. The quantities shown here ignore the transactions required to reorganise the Company under this arrangement to reflect the consolidated position.

#2 Only options granted during the year ended 30 June 2021 form part of any remuneration given to any parties both during this period and in any period prior. All other options and shares acquired other than from the exercise of the 1.5M options were acquired as an investor in the Company on terms identical to those offered to all other investors at the time such were acquired.

This concludes the remuneration report, which has been audited.

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Shares under option

Unissued ordinary shares of Copper Search Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15.9.21	15.9.24	\$0.50	2,750,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Copper Search Australia Pty Ltd were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options exercised	Exercise price	Number of shares issued
June 2021	\$0.10	1,500,000 #1

#1 – Options were issued by Copper Search Australia Pty Ltd under the employee share option plan with shares acquired from the exercise of these options subsequently swapped 1:1 for shares in Copper Search Limited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

No premiums were paid during the financial year for any insurances related to the Directors or Officers. A Directors & Officers insurance policy was not in place until a policy was put in place in August 2021. The consolidated entity has now paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Amounts of \$6,180 were paid to BDO Corporate Finance (WA) Pty Ltd for the year ending 30 June 2021 for non-audit services, specifically an Independent experts report for the IPO Prospectus. Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 15 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Copper Search Limited
Directors' report
30 June 2021

The directors are of the opinion that the services as disclosed in note 13 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of BDO

There are no officers of the company who are former partners of BDO.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Peter McIntyre
Managing Director

24 September 2021
Perth

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF COPPER SEARCH LIMITED

As lead auditor of Copper Search Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Copper Search Limited and the entity it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth , 24 September 2021

Copper Search Limited
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30 June 2021

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General information

The financial statements cover Copper Search Limited as a consolidated entity consisting of Copper Search Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Copper Search Limited's functional and presentation currency.

Copper Search Limited is a public company limited by shares, listed on the ASX from 15 September 2021, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

11 Moreau Mews
Applecross WA 6153

Principal place of business

11 Moreau Mews
Applecross WA 6153

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 September 2021. The directors have the power to amend and reissue the financial statements.

Copper Search Limited
Consolidated Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated	2021	2020
		\$	\$	\$
Revenue from continuing operations		-	-	
Other income – R & D tax incentive refund	3	134,238	-	
Interest revenue calculated using the effective interest method	3	2	687	
Expenses				
Employee benefits expense	4	(49,638)	-	
Exploration expenses	4	(637,047)	(611,383)	
Administration and corporate expenses	4	(282,557)	(63,108)	
Share based payments	4	(79,511)	-	
Other expenses		-	-	
Loss before income tax expense from continuing operations		(914,513)	(673,804)	
Income tax expense	5	-	-	
Loss after income tax expense from continuing operations		(914,513)	(673,804)	
Loss after income tax expense for the year		<u>(914,513)</u>	<u>(673,804)</u>	
Other comprehensive income				
Other comprehensive loss for the year, net of tax		-	-	
Total comprehensive loss for the year		<u>(914,513)</u>	<u>(673,804)</u>	
Loss for the year is attributable to:				
Owners of Copper Search Limited		<u>(914,513)</u>	<u>(673,804)</u>	
		<u>(914,513)</u>	<u>(673,804)</u>	
		Cents	Cents	
Loss per share attributable to the owners of Copper Search Limited				
Basic (and diluted) earnings per share	20	(2.27)	(6.53)	

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Copper Search Limited
Consolidated Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	905,020	502,052
Trade and other receivables	7	29,712	4,305
Total current assets		<u>934,732</u>	<u>506,357</u>
Non-current assets			
Exploration and evaluation	8	242,548	-
Total non-current assets		<u>242,548</u>	<u>-</u>
Total assets		<u>1,177,280</u>	<u>506,357</u>
Liabilities			
Current liabilities			
Trade and other payables	9	101,942	72,899
Other	10	54,795	-
Employee benefits	9	9,205	-
		<u>-</u>	<u>-</u>
Total current liabilities		<u>165,942</u>	<u>72,899</u>
Total liabilities		<u>165,942</u>	<u>72,899</u>
Net assets		<u>1,011,338</u>	<u>433,458</u>
Equity			
Issued capital	11	4,021,905	2,529,512
Accumulated losses	12	<u>(3,010,567)</u>	<u>(2,096,054)</u>
Total equity		<u>1,011,338</u>	<u>433,458</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Copper Search Limited
Consolidated Statement of changes in equity
For the year ended 30 June 2021

	Issued capital \$	Reserves \$	Retained Profits (losses) \$	Total equity \$
Consolidated				
Balance at 1 July 2019	2,156,512	-	(1,422,250)	734,262
Profit (loss) after income tax expense for the year	-	-	(673,804)	(673,804)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(673,804)	(673,804)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	373,000	-	-	373,000
Balance at 30 June 2020	<u>2,529,512</u>	<u>-</u>	<u>(2,096,054)</u>	<u>433,458</u>
	Issued capital \$	Reserves \$	Retained Profits (losses) \$	Total equity \$
Consolidated				
Balance at 1 July 2020	2,529,512	-	(2,096,054)	433,458
Profit after income tax expense for the year	-	-	(914,513)	(914,513)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(914,513)	(914,513)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	1,412,882	-	-	1,412,882
Share-based payments (note 21)	79,511	-	-	79,511
Balance at 30 June 2021	<u>4,021,905</u>	<u>-</u>	<u>(3,010,567)</u>	<u>1,011,338</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Copper Search Limited
Consolidated Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated	
		2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (exclusive of GST)		-	-
Payments to suppliers and employees (exclusive of GST)		(901,606)	(645,812)
		(901,606)	(645,812)
Interest received		2	687
Other income		134,238	496,772
Interest and other finance costs paid		-	-
Income taxes paid		-	-
Net cash used in operating activities	19	(767,366)	(148,353)
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares net of share issue costs		577,334	373,000
Proceeds from exercising of options		593,000	-
Net cash from financing activities		1,170,334	373,000
Net increase/(decrease) in cash and cash equivalents		402,968	224,647
Cash and cash equivalents at the beginning of the financial year		502,052	277,405
Cash and cash equivalents at the end of the financial year	6	<u>905,020</u>	<u>502,052</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

On 2 June 2021, Copper Search Limited was incorporated as a vehicle for listing Copper Search Australia Pty Ltd on the Australian Securities Exchange (ASX).

On 21 June 2021, the Company completed a transaction with the shareholders of Copper Search Australia Pty Ltd under common control to acquire 100% of the share capital in Copper Search Australia Pty Ltd in exchange for shares in the Company (on a 1:1 basis).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity'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 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Copper Search Limited ('company' or 'parent entity') at 30 June 2021 and the results of all subsidiaries for the year then ended. Copper Search Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'the Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Predecessor accounting

Business combinations involving entities under common control are accounted for using the predecessor accounting method. Under this method:

- carrying values are not restated in the accounts of the acquiring entity, rather prior book values are maintained. As a result, no fair value adjustments are recorded on acquisition; and
- the carrying value of net assets acquired or liabilities assumed is recorded as a separate element of equity on consolidation.

Operating segments

The consolidated entity operates entirely within the minerals exploration industry and entirely within the Gawler Craton region of South Australia and therefore has only the one operating segment.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Copper Search Limited's functional and presentation currency.

Foreign currency transactions and operations

The consolidated entity currently has no foreign operations and to date has not conducted any transactions in a foreign currency.

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

R&D tax incentives are recognised when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Exploration and evaluation assets

Expenditure on the acquisition and evaluation of exploration assets is accounted for in accordance with the area of interest method which is closely aligned to the US GAAP based successful efforts method of accounting for minerals exploration and evaluation expenditure.

This method allows the costs associated with the acquisition and evaluation of a prospect to be aggregated on the Statement of Financial Position and matched against the benefits derived from commercial production once this commences.

Expenditure incurred directly on exploration for minerals prior to an area of interest being identified and confirmed as containing potentially economic mineralisation is written off immediately as and when incurred (Greenfields exploration).

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are treated as exploration or evaluation expenditure.

Note 1. Significant accounting policies (continued)

Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the assets carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Note 1. Significant accounting policies (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Copper Search Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 23 for further information.

Exploration and evaluation costs

Exploration and evaluation acquisition costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Capital Reorganisation

The acquisition of 100% of the issued capital of Copper Search Australia Pty Ltd by the Company, by way of issuing the shareholders of Copper Search Australia Pty Ltd fully paid shares in the Company, has been determined by management to be a capital reorganisation as the transaction does not meet the definition of a business. Capital reorganisation transactions are a complex accounting area because there are no specific applicable accounting standards to these types of transactions. In the absence of specific guidance, management has used the guidance in AASB 108 'Accounting Policies, Change in Accounting Estimates and Errors' (para. 10) whereby management have used its judgement in developing and applying a relevant and reliable accounting policy using pre-combination book values to account for this transaction as no substantive economic change has occurred.

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 3. Other income

	Consolidated	
	2021	2020
	\$	\$
R & D tax incentive refund	134,238	-
Interest	<u>2</u>	<u>687</u>
Other income	<u><u>134,240</u></u>	<u><u>687</u></u>

Note 4. Expenses

Administration and corporate expenses

Audit fees	19,570	-
Other administration and corporate expenses	<u>262,987</u>	<u>63,108</u>
Total Administration and corporate expenses	<u><u>282,557</u></u>	<u><u>63,108</u></u>

Employment expenses

Director fees	22,500	-
Other employment expenses	<u>27,138</u>	<u>-</u>
Total Employment expenses	<u><u>49,638</u></u>	<u><u>-</u></u>

Exploration expenses written off as incurred

Mining exploration	<u>637,047</u>	<u>611,383</u>
Total exploration expenses	<u><u>637,047</u></u>	<u><u>611,383</u></u>

Share based payments

Value of ESOP employee options granted to directors expensed	<u>79,511</u>	<u>-</u>
Total share based payments	<u><u>79,511</u></u>	<u><u>-</u></u>

Total expenses	<u><u>1,048,753</u></u>	<u><u>674,491</u></u>
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Copper Search Limited
Notes to the financial statements
30 June 2021

Note 5. Income tax

Income tax is not payable by the Company as both current and carried forward tax losses are available for income tax purposes, consequently current tax deferred tax and tax expenses are reporting as \$Nil in all reporting years to date.

The prima facie income tax expense/(income) on pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:-

	Consolidated	
	2021	2020
	\$	\$
<i>Income tax expense</i>		
Loss from continuing operations	(914,513)	(673,804)
Income tax expense/(benefit) calculated at 26% (2020: 27.5%)	(237,773)	(185,296)
Net effect of unused tax losses tax offsets and timing differences not recognised as deferred tax assets	237,773	185,296
Income tax attributable to operating loss	<u>-</u>	<u>-</u>
Unrecognised deferred tax balance:		
Deferred tax asset from accumulated tax losses	640,142	452,665
Deferred tax asset from accumulated tax losses	<u>640,142</u>	<u>452,665</u>

The tax rate used in the above reconciliation is the corporate tax rate of 26% payable by Australian corporate entities on taxable profits under Australian tax law. The corporate tax rate has reduced by 1.5% compared with the previous reporting period.

Net deferred tax assets have not been brought to account as it is not probable that immediate future profits will be available against which deductible temporary differences and tax losses can be utilised. The value of the unrecognised deferred tax balance is calculated using the rate of 25% which is applicable to 2022 and future years.

	Consolidated	
	2021	2020
	\$	\$
Note 6. Current assets - cash and cash equivalents		
Cash at bank	905,020	502,052
	<u>905,020</u>	<u>502,052</u>

Note 7. Current assets - other

GST refund due	29,712	4,305
	<u>29,712</u>	<u>4,305</u>

Copper Search Limited
Notes to the financial statements
30 June 2021

Consolidated
2021 **2020**
\$ **\$**

Note 8. Non-current assets – exploration assets

Exploration licences acquired # 1	242,548	-
	242,548	-
	242,548	-

#1 The acquisition of tenements from Macallum Group Ltd and Chris Reindler under agreements entered into on 16 April 2019

Note 9. Current liabilities - trade and other payables

Trade payables	101,942	72,899
Other payables – employee benefits	9,205	-
	111,147	72,899
	111,147	72,899

Note 10. Current liabilities - other

Accrued expenses	54,795	-
	54,795	-
	54,795	-

Note 11. Equity - issued capital

	Consolidated			
	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	48,122,227	13,855,186	4,021,905	2,529,512

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	10,125,186		2,156,512
Issue of shares	June 2020	3,730,000	\$0.10	373,000
Share issue transaction costs, net of tax		-	\$0.00	-
Balance	30 June 2020	13,855,186		2,529,512
Issue of shares	July 2020	700,000	\$0.10	70,000
Issue of shares for acquisition of tenements #1	July 2020	24,254,814	\$0.01	242,548
Issue of shares	February 2021	3,382,227	\$0.15	507,334
Issue of shares on the exercise of options	May/June 2021	4,430,000	\$0.10	443,000
Value of options issued as share based payments transferred upon exercise of options	08 June 2021	-		79,511
Issue of shares on the exercise of options	08 June 2021	1,500,000	\$0.10	150,000
Balance	30 June 2021	48,122,227		4,021,905

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 11. Equity – issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The consolidated entity may look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues with its existing exploration strategy.

#1 Pricing used for transfer was from transactions originally entered into by the parties in April 2019.

Note 12. Equity – accumulated losses

	Consolidated	
	2021	2020
	\$	\$
Retained losses at the beginning of the financial year	(2,096,054)	(1,422,250)
Loss after income tax expense for the year	(914,513)	(673,804)
	<hr/>	<hr/>
Retained losses at the end of the financial year	<u>(3,010,567)</u>	<u>(2,096,054)</u>

Note 13. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services – BDO Audit (WA) Pty Ltd</i>		
Audit or review of the financial statements	<hr/> 19,570	<hr/> 18,000
<i>Other services – BDO Corporate Finance (WA) Pty Ltd</i>		
Independent experts report	<hr/> 6,180	<hr/> -
	<hr/> 25,750	<hr/> 18,000
	<u>25,750</u>	<u>18,000</u>

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 14. Commitments

The Group had no commitments at 30 June 2021 (30 June 2020:-Nil).

The Group has a minimum expenditure to maintain 100% of each of the granted exploration licenses that it holds. The Group is not compelled to spend this figure if it chooses not to do so, however this would put the continued rights in relation to these licenses at risk. Total 12 month minimum spending on the 11 currently granted licences amounts to approximately \$1.85M. The Group expects to meet or exceed the minimum spending amount for each of the licenses held.

Note 15. Related party transactions

Parent entity

Copper Search Limited is the parent entity, however the ultimate parent entity that exercised control over the Company is Macallum Group Ltd "Macallum" which is incorporated in Australia. Macallum prior to ASX listing and at the end of the reporting period held 53.61% of all issued ordinary shares (0% of issued options). As from the date of listing on the ASX (15 September 2021), Macallum's holding of Copper Search Limited has been reduced to 31.31%.

Macallum has provided and continues to provide services for the management and operations of the Company, including corporate services and operation and management of exploration activities. These services are recharged to the Company as a monthly charge to cover general management and corporate services, together with charges to cover additional costs for exploration activities based on time sheet data of Macallum staff charged at the full cost of providing the personnel involved. Retired Directors Martin Spivey and Rance Dorrington are currently paid employees of Macallum.

As part of the agreement by all shareholders to terminate the Shareholders Agreement dated 16 June 2017, Macallum together with former director Chris Reindler agreed to transfer all their exploration titles held or under application located within the Gawler Craton in South Australia from Macallum and Chris Reindler to Copper Search Australia Pty Ltd. The application for transfer of all titles was made in July 2020 and all transfers were consented to by the Minister in August 2020.

The result of the above transfers and from applications made directly in the name of Copper Search Australia Pty Ltd is that at the date of this report, the Company holds all rights and titles to exploration properties now held within South Australia 100%, unencumbered and without any joint venture or royalty obligations.

Subsidiaries

Interests in subsidiaries are set out in note 17.

Key management personnel

Disclosures relating to key management personnel are set out below and in the remuneration report included in the directors' report.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	22,499	-
Post-employment benefits	2,137	-
Long-term benefits	-	-
Share-based payments	79,511	-
	<u>104,147</u>	<u>-</u>

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 15. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	\$	\$
Payment for goods and services:		
Payment for services from Macallum Group Ltd	<u>411,856</u>	<u>287,824</u>

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current payables:		
Trade payables to Macallum Group Ltd	<u>36,021</u>	<u>23,208</u>

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	<u>24,638</u>	-
Total comprehensive loss	<u>24,638</u>	-

Statement of financial position

Total non-current assets	<u>1,035,976</u>	-
Total assets	<u>1,035,976</u>	-
Total current liabilities	<u>9,205</u>	-
Total liabilities	<u>24,638</u>	-
Equity		
Issued capital	4,021,905	-
Accumulated losses	<u>(3,010,567)</u>	-
Total equity	<u>1,011,338</u>	-

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 16. Parent entity information (continued)

Contingent liabilities

The parent entity had no contingent liabilities at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Copper Search Australia Pty Ltd	Australia	100%	N/A

Note 18. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has caused some delays and difficulties in arranging on-ground exploration activities throughout the year for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Since 30 June 2021, the Consolidated Group has completed an initial public offering "IPO" to raise \$12M through the issue of an additional 34,285,715 ordinary shares and listed these and existing ordinary shares on the ASX on 15 September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 19. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax expense for the year	(914,513)	(673,804)
Adjustments for:		
Depreciation and amortisation	-	-
Impairment of non-current assets	-	-
Share based payments	79,511	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	-	-
Increase in prepayments	-	-
Increase/(decrease) in trade and other payables	29,043	29,172
Increase in deferred tax liabilities	-	-
Increase/(decrease) in employee benefits	9,205	-
Increase in other provisions	54,795	-
Increase in other assets	(25,407)	496,279
Net cash from operating activities	<u>(767,366)</u>	<u>(148,353)</u>

Non-Cash Increase in Capitalised Exploration Costs

A number of tenements were acquired from Chris Reindler and Macallum Group Ltd as a result of the completion of agreements that were originally entered into in April 2019. At the time of entering into these agreements the value of the tenements was determined between the parties as being a total of \$242,548 which was settled by the transfer of shares upon transfer of the licenses in July 2020

Note 20. Loss per share

	Consolidated	
	2021	2020
	\$	\$
Loss attributable to the owners of Copper Search Limited used in calculating basic and diluted earnings per share	<u>(914,513)</u>	<u>(673,804)</u>
	Cents	Cents
Basic and diluted loss per share	(2.27)	(6.53)
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	<u>40,279,693</u>	<u>10,313,597</u>

Copper Search Limited
Notes to the financial statements
30 June 2021

Note 21. Share-based payments

On 1 July 2020, 22,454,814 shares were issued to MGL upon the transferring of exploration licences to Copper Search Australia Pty Ltd, and 1,800,000 were issued to Chris Reindler. The issue price of \$0.01 per share was based on the value agreed between the parties at the time of entering into the agreements for transfer of the tenements which were entered in to in April 2019.

On 8 June 2021, 1,500,000 shares from the exercise of options were issued to the Chairman and key management personnel at an issue price of \$0.10 per share and with a total transactional value (exercise price) of \$150,000.

These options were issued under an employee share option plan that was established by and approved by the board of directors of Copper Search Australia Pty Ltd. These options were granted to the directors of Copper Search Australia Pty Ltd as the only remuneration for the service of the directors at this time. The options were issued with a \$0.10 per option exercise price and were granted on the basis that 1/3 would vest for each year of service completed from the date of granting.

One of the conditions with the granting of the options was that an earlier vesting date and an early call for exercise of the options would be triggered if the Company proceeded to an ASX listing in the future. This was deemed to have occurred and 100% of the options were vested and called to be paid with 100% of the options being exercised on or before 10 June 2021.

Set out below are summaries of options granted and subsequently exercised under the plan:

2021

Grant date	Early Call Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/12/2020	10/06/2021	\$0.10	-	1,500,000	(1,500,000)	-	-
			-	1,500,000	(1,500,000)	-	-

For the options granted during the current financial year, the valuation model (Black Scholes) inputs used to determine the fair value at the grant date, are as follows:

Grant date	Original Expiry date	Share price value at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2020	11/12/2022	\$0.10	\$0.10	100%	Nil	2%	\$0.053

Note 22. Financial and Capital Risk Management

Financial risk management

The Group's activities expose it to a variety of financial risks. This note presents information about the Group's exposure to these risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board has overall responsibility for the establishment and oversight of the risk management framework. The board has formed an Audit & Risk committee charged with the responsibility for the oversight of how management monitors compliance with the Group's financial risk management policies and procedures. It also reviews the adequacy of the financial risk management framework of the Group.

The Audit & Risk committee has only recently been formed and will report regularly to the board on activities planned and undertaken by and on behalf of the committee.

A). Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

Copper Search Limited
Notes to the financial statements
30 June 2021

Trade and other receivables

The Group's credit exposures to customers, including outstanding receivables and committed transactions are minimal as the Group currently only operates as a minerals explorer currently having almost no exposure to such risk.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid investments with counterparties that have a credit rating at least equal to that of the four major banking institutions in Australia.

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, is the carrying amount, net of any loss allowance provisions as summarised below:

	Note	Consolidated	
		2021	2020
		\$	\$
Financial assets			
Cash and cash equivalents	6	905,020	502,052
Trade and other receivables	7	29,712	4,305
Total financial assets		<u>934,732</u>	<u>506,357</u>

B). Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group does not maintain any borrowings or any lines of credit. The Group currently relies solely on equity funding to provide sufficient funding for currently planned operations. The Group has recently undertaken an IPO to raise \$12M and list the Group's shares on the ASX to ensure sufficient funding is available for operations forecast for 24 months from date of listing. Operations outside of forecasts or beyond 24 months may require the raising of additional capital to support continuation of the Group's exploration or other endeavours.

C). Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The Group does not have any outstanding foreign exchange contracts as at reporting date and nor does it carry any financial assets denominated in anything other than Australian dollars.

Interest rate risk

The Group currently holds no term interest bearing assets, the Group's income and operating cash flows are therefore not currently exposed to changes in market interest rates.

Sensitivity

At 30 June 2021, if market interest rates had a parallel shift of +/- 75 basis points from year end rates with all other variables held constant, equity and profit or loss would not have been significantly different from the reported figure.

The main interest rate risk arises from cash receivables and other receivables with variable interest rates. Movements in interest rates result in higher/lower interest income from cash and cash equivalents.

Capital risk management

The objectives of the Group in managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to sustain future development of the business.

There were no changes in the approach adopted by the Group in capital management during the year.

Copper Search Limited
Directors' declaration
30 June 2021


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Peter McIntyre
Director

24 September 2021
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of Copper Search Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Copper Search Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.



Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Copper Search Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO


Glyn O'Brien

Director

Perth, 24 September 2021