



COPPER SEARCH

**QUARTERLY
REPORT**

June 2022

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

HIGHLIGHTS

EXPLORATION ACTIVITIES

- Processing of data from geophysics surveys on Ruby Hill tenements commenced
- Heritage survey completed over priority areas at the Ruby Hill Area in preparation for drilling to recommence upon completion of review
- Drilling at Billa Kalina did not intersect basement as modelled and is suspended pending the review process.
- Review initiated to re-rank all exploration targets across Gawler Craton tenements using geological information from drilling to date and newly acquired geophysical data

CORPORATE

- Commencement of new Adelaide-based management team including Duncan Chessell as CEO, Tim McCormack as CFO, Jarek Kopias as Company Secretary and Stacey Curtis as Senior Exploration Geologist
- Relocation of Copper Search head office to Adelaide
- Cash position of \$8.9 million at quarter end 30 June 2022



Copper Search is set for significant activity in the back half of 2022 with \$8.9m cash in the bank and an excellent ground position in the prospective Peak and Denison Domain of the Gawler Craton in South Australia.

It's a privilege to have recently joined the Copper Search team, leading the project review, relocation of HQ to Adelaide and hiring new South Australian team members as the Company embarks on an exciting exploration phase for the remainder of 2022.

- CEO, Duncan Chessell

COPPER SEARCH PROJECTS

Peake &
Dennison
(CUS)

Ruby Hill
(CUS)

Billa
Kalina
(CUS)

Prominent Hill
(OZL)

Olympic Dam
(BHP)

Carapateena
(OZL)

The Gawler Craton is a world-class mining district in South Australia and is endowed with over 100 million tonnes of copper and 110 million ounces of gold. Copper Search's Gawler Craton Project covers over 6,000 sq km giving the company a strong ground position in the district.

DETAILS

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

EXPLORATION ACTIVITIES

- **PROJECT-WIDE REVIEW**

During the quarter, Copper Search commenced a detailed review of the Gawler Craton Project with a view to re-ranking exploration targets. Additional geophysical surveys and modelling have been undertaken to complement previous magnetic modelling. Data from these surveys and information collected from drilling to date will be incorporated into the review to assist with the re-ranking process.



Figure 1 Drill hole BKDDH01 Billa Kalina Project - Copper Search Limited

- **RUBY HILL AREA**

During the quarter, geophysical surveys were completed over Ruby Hill, with the newly acquired data currently being processed. Heritage clearances were also completed to allow for resumption of drilling activities in the second half of year pending final outcomes of the technical review. In 2021 Copper Search drilled a hole within the Ruby Hill tenements which intersected basement rocks at 370m, this data plus newly acquired geophysics provides valuable insight to planning further drill holes in this prospective area (see ASX announcement 27/1/2022).

- **BILLA KALINA PROJECT**

Drilling at Billa Kalina tenement EL6401 to test magnetic-modelled geophysical targets for iron oxide copper-gold (IOCG) mineralisation has been temporarily suspended. Three holes were completed to depths of 460m, 360m and 231m with all holes ending in un-mineralised cover sequences of glacial sediments (tillite) rather than the modelled basement rocks (see ASX announcement 31/5/2022).

The magnetic geophysical anomalies targeted were not accounted for in the intersected rocks, prompting the Company to review its plans for Billa Kalina as part of its broader review of the Gawler Craton Project and the geophysical modelling.

CORPORATE

- **MANAGEMENT APPOINTMENTS**

At the start of May, Duncan Chessell commenced as the Company's new Chief Executive Officer, with inaugural Managing Director Peter McIntyre remaining on the Board as a Non-Executive Director.

Duncan is a qualified geologist with more than 20 years of experience in business and oil, gas and mineral exploration. He was responsible for co-founding and listing Resolution Minerals (as Northern Cobalt) in 2017 and has acted in a variety of board and executive roles for ASX-listed and public unlisted companies.

From 1 June, he has been joined at Copper Search by Tim McCormack as Chief Financial Officer and Jarek Kopias as Company Secretary. Both Tim and Jarek are experienced finance and governance professionals who are valuable additions to the management team.

- **HEAD OFFICE RELOCATION**

In conjunction with the appointment of an Adelaide-based management team, the decision was made to relocate Copper Search's head office from Perth to Adelaide in June. This change will ensure that management is closer to the Company's primary assets and able to drive exploration more efficiently.



CASH BALANCE

Copper Search finished the quarter (30 June 2022) with \$8.9 million in cash and is well-funded to undertake further exploration activities on its Gawler Craton tenements.

SHARE CAPITAL CHANGES

During the quarter, the following changes were made to Copper Search's securities:

- Release of 1,782,741 ordinary shares subject to ASX restriction (escrow)
- Issue of 1,200,000 unquoted options with an exercise price of \$0.70 and an expiry of 9 May 2025
- Issue of 1,200,000 unquoted performance rights

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

Copper Search Limited	Quoted	Escrow – Unquoted		Unquoted	
Class of Security	Ordinary shares (ASX: CUS)	Ordinary shares restricted (CUSAC)	Options restricted (CUSAD)	Performance rights (CUSAF)	Options (CUSAE)
On issue at start of the Quarter	51,012,154	31,395,788	2,750,000	-	-
Release of shares from restriction	1,782,741	(1,782,741)			
Issue management performance rights	-	-	-	1,200,000	-
Issue CEO sign on options	-	-	-	-	1,200,000
Total securities on issue at the date of this report	52,794,895	29,613,047	2,750,000	1,200,000	1,200,000



Figure 2 Ruby Hill drill hole ACDDH01 - Copper Search Limited

For further information please contact the authorising officer Duncan Chessell:

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APPENDICIES

MINING PRODUCTION, DEVELOPMENT AND EXPLORATION ACTIVITIES

The Group has incurred \$704,000 concerning exploration activities during the quarter as detailed above (disclosure per ASX listing rule 5.3.1).

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

TENEMENT TABLE

Tenement number	Tenement name	Beneficial interest held at the of the Quarter	Changes during the Quarter to % beneficial interest	Comments
South Australia – Gawler Craton – held via 100% owned subsidiary				
6181	Curdimurka	100%	-	
6195	William Creek	100%	-	
6235	Allandale	100%	-	
6236	Mt Arthur	100%	-	
6238	Stuarts Creek	100%	-	
6314	Ruby Hill South	100%	-	
6315	Ruby Hill North	100%	-	
6400	Dismal Plain	100%	-	
6401	Wantaman	100%	-	
6669	North Titan	100%	-	
2021-85	Spring Hill	Application	-	Offered & accepted, grant pending

USE OF IPO FUNDS

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

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

Expenditure (\$'000)	IPO use of funds	Actual to date	Remaining balance
Peak & Denison	2,423	73	2,350
Mt Arthur	1,169	14	1,155
Ruby Hill	2,982	1,251	1,731
Billa Kalina	2,731	571	2,160
North Titan	797	88	709
Other exploration - new tenement(s)	0	44	-44
Total exploration	10,102	2,041	8,061
Costs of the IPO	720	725	-5
Plant and equipment	0	58	-58
Corporate administration and working capital	2,128	*1200	928
TOTAL	12,950	4,024	8,926

* Expenditure includes geologists' time

RELATED PARTY PAYMENTS

Copper Search discloses that payments to related parties of the Company and their associates during the quarter totalled \$116k. These payments related to the provision of facilities and premises, interim-CEO services and consulting geologists by Macallum Group Ltd totalling \$69k. Macallum Group Ltd is an entity related to Director Peter McIntyre. Office rental in Adelaide from Maria Belperio \$3k, a related party to Director Tony Belperio. Payments totalling \$44k to Non-Executive Director fees paid as salaries and to entities nominated by relevant Directors.

Appendix 5B

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

Name of entity

Copper Search Limited

ABN

78 650 673 500

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(704)	(2,041)
(b) development	-	-
(c) production	-	-
(d) staff costs	(160)	(444)
(e) administration and corporate costs	(154)	(765)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,018)	(3,241)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(58)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(2)	(58)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,000
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(725)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	11,275

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	9,901	905
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,018)	(3,241)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(58)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11,275
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	8,881	8,881

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,881	9,901
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,881	9,901

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	116
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,018)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,018)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,881
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,881
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: N/A	

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

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

Answer: N/A

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

Answer: N/A

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

Compliance statement

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

Date: 29 July 2022

Authorised: By the Board

Notes

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