

# COPPER SEARCH

OPERATION 715 X  
LOCATION: Gawler Craton, S.A.

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# QUARTERLY REPORT

December 2022

31 January 2023

Copper Search Limited (ASX: CUS) (Copper Search of the Company) is pleased to present its Quarterly Activities Report for the period ending 31 December 2022

## HIGHLIGHTS

### EXPLORATION ACTIVITIES

During the quarter the Company completed extensive ground-based geophysics surveys (gravity and IP) to prioritise potential IOCG drill targets on the southern half of the Peake Project. This complemented the extensive gravity surveys carried out in early 2022 by the Company and followed a detailed review to re-rank all exploration targets across the Company's Gawler Craton tenements. The final processing of this data is almost complete.

The team also obtained heritage site clearances and applied for drilling approvals for a planned March start to drilling activities. The Company intends to drill test the highest-ranked targets in Phase One of a multi-phased drilling program on the Peake Project.

In parallel to drill testing, the exploration team will continue conducting a near-miss analysis of previous drill holes in the region. This technical deep dive will enable the Company to analyse the results of the planned drilling more robustly and may identify a near miss from historical results. In IOCG mineral systems, a major discovery can be missed by as little as a few hundred metres, and it is rare to strike the centre of an IOCG deposit in the first drill hole. Therefore, the importance of recognising a near-miss is critical. The exploration team is building a thorough multi-element geochemistry and alteration near-miss analysis model in the context of the rock types present in the Peake Project.

**Results of the infill ground-based geophysics (IP and gravity) program will be announced in early February, well ahead of planned drilling in late March.**

### CORPORATE

The cash position at the quarter that ended 31 December 2022 was \$7.6 million.

#### Capital Structure

Ordinary Shares  
Issued 82 M

Options and rights  
Unlisted options 4 M  
Unlisted performance rights 1.2 M

#### Last Capital Raise

September 2021 - IPO  
\$12 million

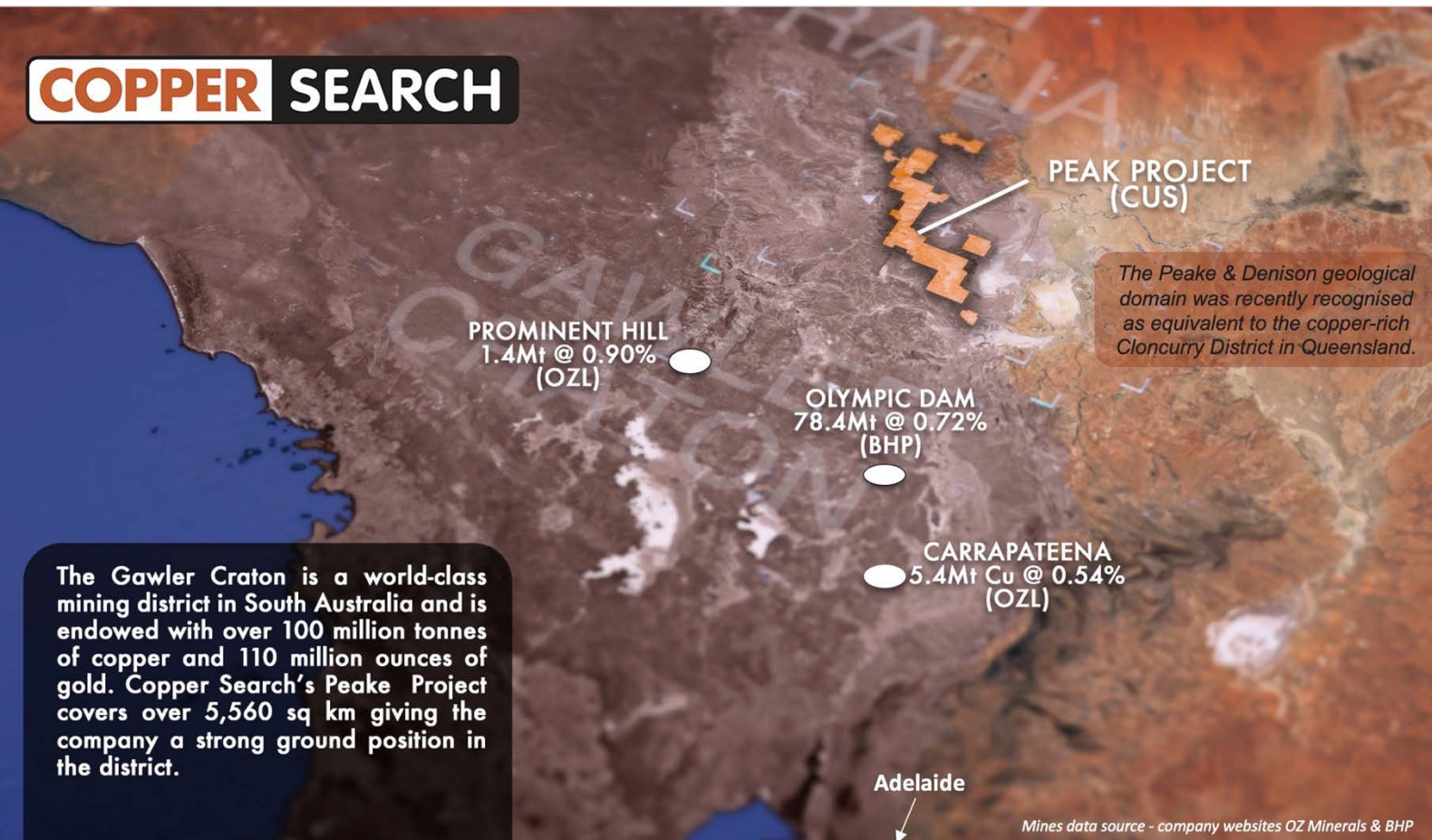
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Norwood SA 5067  
[www.coppersearch.com.au](http://www.coppersearch.com.au)

#### Board Members

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



## COPPER SEARCH



### ABOUT THE PEAKE PROJECT

- Prospective for IOCG and ISCG deposits
- Recent proof of concept by adjacent explorer Demetallica, funded by OZ Minerals (ASX: OZL), confirmed the prospectivity for Ernest Henry-style IOCG copper - mineralisation in drilling (ASX: DRM 5 October 2022)
- Has over 20 potential IOCG drill targets
- An underexplored region with recent high-quality government airborne geophysics surveys, has allowed the identification of new opportunities
- 100% ownership of the 5,560km<sup>2</sup> Peake Project by Copper Search Limited
- Near-miss analysis program underway by Copper Search on historical drilling
- Three phases of drilling are planned over 24 months, supported by ongoing target definition activities and innovation
- Multiple IOCG targets are to be tested on the southern half of the project area in the Phase One drilling program, starting late Q1, 2023
- Target definition work on the northern half of the project to commence in Q1, 2023

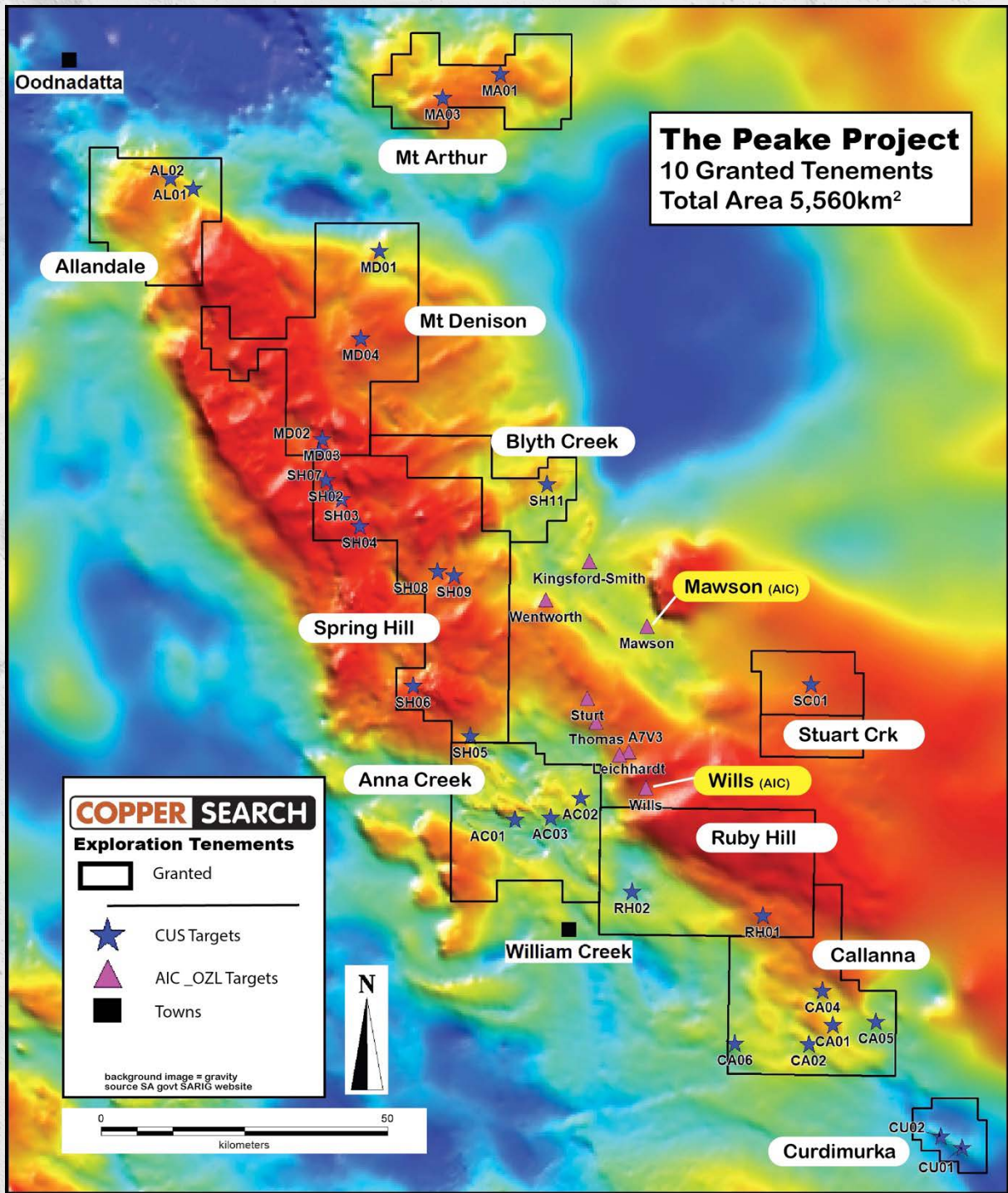


Figure 1 The Peak Project Location Map - with neighbouring AIC Mines (funded by OZ Minerals) targets indicated – note AIC Mines acquired the project by a takeover of Demetallica (DRM) see ASX Announcement 12 Jan 2023 (ASX: A1M)

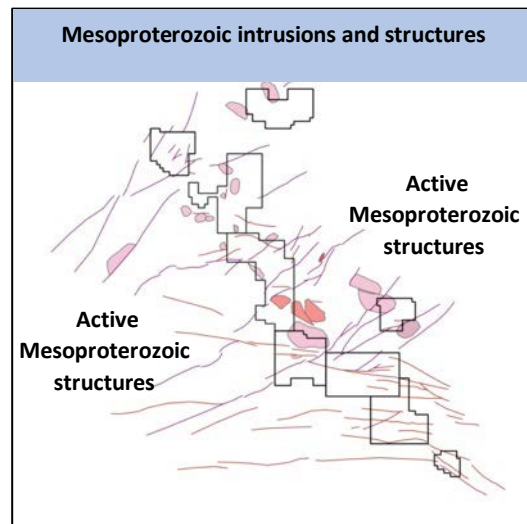
## DETAILS

### EXPLORATION ACTIVITIES

#### PROJECT-WIDE REVIEW

During the quarter, Copper Search completed a detailed review of the Gawler Craton Project with a view to re-ranking exploration targets (ASX announcement 3/10/2022). Additional geophysical surveys and modelling have been undertaken to complement previous magnetic modelling. Data from these surveys and information collected from drilling to date have been incorporated to re-rank all targets. Targets were ranked against known IOCG deposits and prospects to provide an absolute scale to justify drilling.

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



#### TARGET RANKING ( SCORE 1 TO 100)

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

#### Key Factors

- ✓ Proximity to the right age structures and intrusions
- ✓ Gravity anomaly
- ✓ Magnetic anomaly
- ✓ IP and/or MT anomaly
- ✓ Depth of cover
- ✓ EM anomaly

## THE SOUTHERN HALF OF THE PEAKE PROJECT - POTENTIAL TARGETS

Thirteen targets were identified for infill geophysics, heritage clearances and further investigation within the southern area of the Peake Project, utilising the Company's key prospectivity factors and benchmarking against known IOCG deposits e.g. Ernest Henry. Simultaneously, adjacent explorer Demetallica (since taken over by AIC Mines) has confirmed Peak and Denison prospectivity for Ernest Henry-style copper mineralisation in drilling (ASX: DRM 5 October 2022). Importantly a number of the Copper Search targets are on the same mineralised structure as the Wills Prospect (funded by OZ Minerals, now owned by AIC Mines), increasing the prospectivity of the Peake Project.

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

*Figure 2 Planned late 2022 infill geophysics program, adjusted as per below.*

### DECEMBER HERITAGE CLEARANCE SURVEY

In December a heritage clearance was undertaken by the Arabana survey team and Copper Search staff on the southern half of the project. The survey team has approved drilling on all the potential targets listed above except for AC03 and AC01.

### NOVEMBER – DECEMBER GROUND-BASED GEOPHYSICS PROGRAMS

Upon technical consideration, the exploration team elected not to undertake planned AMT or ground magnetics surveys but increased the number of gravity stations and lines of IP data collection.

The IP surveys could not penetrate the cover sequences of Bulldog shale, and the technique was largely ineffective over most of the targets. However, to be clear, an ineffective geophysics technique does not downgrade the project's prospectivity.

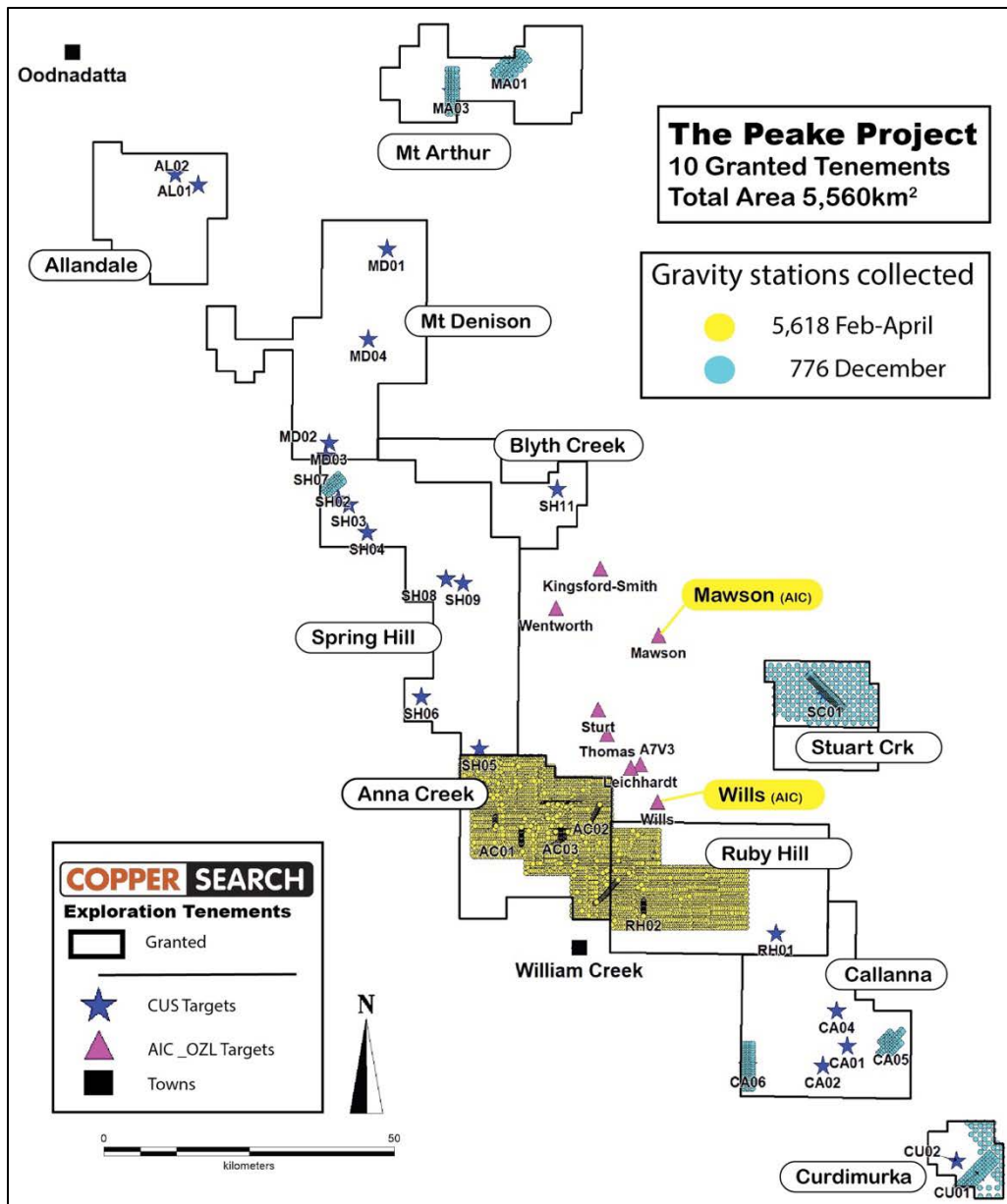


Figure 3 Gravity stations collected by Copper Search during the quarter (results pending) and earlier in 2022.

Daishsat undertook the gravity station collection program and successfully collected 776 gravity stations over various prospects, as outlined in figure 3. This was complementary to the 5,618 gravity stations collected on the Anna Creek and Ruby Hill Station earlier in 2022 by Daishsat for Copper Search.

Drilling permits (pending) were applied for in late December over the southern potential drill targets and usually take 6-8 weeks to be approved.

The technical team will shortly complete data processing and modelling of all the survey data and release the results in early February ahead of a planned late March drilling start date.



## CORPORATE ACTIVITIES

### CASH BALANCE

Copper Search finished the quarter (31 December 2022) with \$7.6 million in cash and is well-funded to undertake further exploration activities on its Gawler Craton tenements.

### SHARE CAPITAL CHANGES

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

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

**Authorised for release by the Board of Copper Search Limited.**

For further information, please contact Duncan Chessell.

#### **Duncan Chessell**

CEO

Copper Search Limited

+61 414 804 055

[duncan@coppersearch.com.au](mailto:duncan@coppersearch.com.au)

## APPENDICES

### MINING PRODUCTION, DEVELOPMENT AND EXPLORATION ACTIVITIES

The Group has incurred \$502k in relation to exploration activities during the quarter as detailed above (disclosure per ASX listing rule 5.3.1).

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

### TENEMENT TABLE – 31 December 2022

Tenement number	Tenement name	Beneficial interest held at the of the Quarter	Changes during the Quarter to % beneficial interest	Comments
<b>South Australia – Gawler Craton – held via 100% owned subsidiary</b>				
6181	Curdimurka	100%	-	
6195	Anna Creek	100%	-	
6235	Allandale	100%	-	
6236	Mt Arthur	100%	-	
6238	Stuarts Creek	100%	-	
6314	Callana	100%	-	
6315	Ruby Hill	100%	-	
6808	Spring Hill	100%	+100%	Newly granted
6862	Mt Denison	100%	+100%	Newly granted
6899	Blyth Creek	Application	n/a	Granted 10 Jan 23
6401	Wantaman	100%	0	Relinquishment pending admin completion Billa Kalina Project
6400	Dismal Plain	0	-100%	Relinquished Billa Kalina Project
6669	North Titan	0	-100%	Relinquished North Titan Project

## USE OF IPO FUNDS

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

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

Expenditure (\$'000)	IPO use of funds 2 years	Actual to 31 Dec 2022	Remainin g balance	Material variance explanation
Peak & Denison	2,423	158	2,265	Anticipated works not yet commenced, large rain events in 2022 disrupted plans. Geophysics occurred late 2022. Further works to commence in 2023.
Mt Arthur	1,169	92	1,077	Anticipated works to commence in year 2 now. Large rain events early in 2022 disrupted plans. Further ground-based geophysics completed in late 2022, analysis underway.
Ruby Hill	2,982	1,883	1,099	Progressing in line with planned expenditure. Drilling works to commence in Q1 2023.
Billa Kalina	2,731	622	2,109	Geophysics and drilling completed. Technical review concluded no further work recommended. <b>Tenements relinquished.</b>
North Titan	797	96	701	Technical review concluded no further work recommended. <b>Tenements relinquished.</b>
Other exploration - new tenement(s)	0	79	-79	New opportunities next to existing tenements. Same business model. Not envisaged in Prospectus.
<b>Total exploration</b>	<b>10,102</b>	<b>2,930</b>	<b>7,172</b>	
Costs of the IPO	720	725	-5	As planned
Plant and equipment	0	233	-233	Not material. Plant & Equipment purchased to reduce rental costs, i.e. offset by reduced project expenses.
Corporate administration and working capital	2,128	1,462	666	Minor additional costs incurred with the relocation of the corporate office to Adelaide from Perth, otherwise in line with expected.
<b>TOTAL</b>	<b>12,950</b>	<b>5,350</b>	<b>7,600</b>	

## RELATED PARTY PAYMENTS

Copper Search discloses that payments to related parties of the Company and their associates during the quarter totalled \$82k. These payments related to the provision of consulting geologists by Macallum Group Ltd totalling \$28k. Macallum Group Ltd is an entity related to Director Peter McIntyre. Office rental in Adelaide from Maria Belperio totalled \$7k, a related party of Director Tony Belperio. Payments totalling \$47k of Non-Executive Director fees paid as salaries and to entities nominated by relevant Directors.

### DECEMBER 2022 QUARTER ASX ANNOUNCEMENTS

The following significant announcements and exploration results were lodged with ASX during the December Quarter and in the month of January 2023 prior to the issue of the Quarterly Report:

2022	Title of Announcement
3 October	Project Review Update and Investor Presentation
23 November	AGM Presentation
2 December	Technical Presentation SAEMC Conference

## Appendix 5B

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

Name of entity

Copper Search Limited

ABN

78 650 673 500

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(502)	(889)
(b) development	-	-
(c) production	-	-
(d) staff costs	(62)	(226)
(e) administration and corporate costs	(128)	(346)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	18	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	290
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(674)</b>	<b>(1,151)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(24)	(175)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(24)</b>	<b>(175)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,253	8,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(674)	(1,151)

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(175)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,555</b>	<b>7,555</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	7,555	8,253
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,555</b>	<b>8,253</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(674)
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)	(674)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,555
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,555
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	11
<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: 31 January 2023

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.