



QUARTERLY ACTIVITIES REPORT

PERIOD ENDED—30 SEPTEMBER 2021

HIGHLIGHTS

- **IPO successfully raised \$12 million ahead of ASX listing**
- **Drilling contractor appointed and initial drilling commenced at Billa Kalina post-quarter**
- **Drilling clearance received for Douglas Creek target – Ruby Hill**
- **Additional applications for drilling permits lodged**
- **Landholding expanded through grant of new exploration licence**
- **South Australian-based exploration team established**

Copper Search (ASX: CUS) (“Copper Search”, “the Company”) presents its Quarterly Activities Report for the period ended 30 September 2021.

During the period, the Company successfully completed an initial public offering raising \$12 million and continued preparations for the commencement of drilling on its suite of highly prospective projects in South Australia’s Gawler Craton.



28 OCTOBER 2021

ABN — 78 650 673 500

ASX code — CUS

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IPO and ASX Listing

Copper Search closed its IPO in early September successfully raising \$12 million, the maximum amount sought. The Company listed on the ASX on 15 September, with its shares trading at a healthy premium to the offer price of \$0.35.

Funds from the IPO, which was ably managed by Joint Lead Managers amicaa and Alto Capital, are being applied primarily to exploration on Copper Search's projects in the Gawler Craton.

Exploration Activities

Billa Kalina and Ruby Hill

Towards the end of the reporting period, Copper Search appointed South Australian firm MJ Drilling Pty Ltd to undertake a maiden diamond drilling campaign at the Billa Kalina Project, located on a structural arc between BHP's Olympic Dam copper-gold-uranium mine and OZ Minerals' Prominent Hill copper-gold operation.

Subsequent to the end of the quarter, MJ Drilling commenced the first of two holes (BK001 and BK002) planned to test basement rocks at Billa Kalina targets.

As reported to the ASX on 28 October, an unexpected cavity was encountered in BK001 at a depth of approximately 360m, resulting in lost drill rods and requiring the cessation of drilling.

Based on this turn of events, the Company has resolved to move the diamond rig to the Ruby Hill Project, where all approvals and permits are in place for drilling to commence at the Douglas Creek target, as soon as possible.

The Douglas Creek programme is expected to commence in early November and has the backing of the SA government in the form of a co-funding grant through which 50% of drilling costs up to \$228,000 will be reimbursed upon completion.

Copper Search intends to revisit other targets at Billa Kalina as soon as practicable based on permitting and prioritisation.

The Company continues to work with the SA Department for Energy and Minerals to secure additional drilling permits for target areas already cleared by heritage surveys.



CLEARANCE SURVEY—DOUGLAS CREEK AREA—RUBY HILL PROJECT—2021

Expansion of Gawler Craton landholding

During the period, Copper Search was granted an additional Exploration Licence (EL 6669 – Titan North) covering 128km² south-east of the Billa Kalina leases.

No previous drilling has been reported on the tenement, however large iron oxide accumulations with modest associated copper-gold mineralization are known to occur locally.

Titan North is located adjacent and to the north of Tasman Resources Limited's EL 6416, which is the subject of a farm-in JV with Fortescue Metals Group. The tenement is also approximately 45km north of Olympic Dam.

Copper Search is analysing available data associated with Titan North to identify potential targets for follow-up exploration.

The Company also lodged an Exploration Licence Application (ELA 2021/0085 – Spring Hill) for a 975km² tenement located between Ruby Hill and its Peake and Denison Project.

The Spring Hill application is believed to overlie Peake Series basement rocks under shallow cover. Hematite-rich breccias occur within the area of the application.

Along with the new licence and application, five existing exploration licences have recently been renewed for an extended period. These are EL 6195 (to 12 July 2023), EL 6235 (to 22 August 2023), EL 6400 & EL 6401 (to 10 September 2024) and EL 6315 (to 19 February 2024).

A further five renewal applications have been lodged and extensions remain pending, with all outstanding renewals expected to be issued by the SA Department for Energy and Mining in due course.

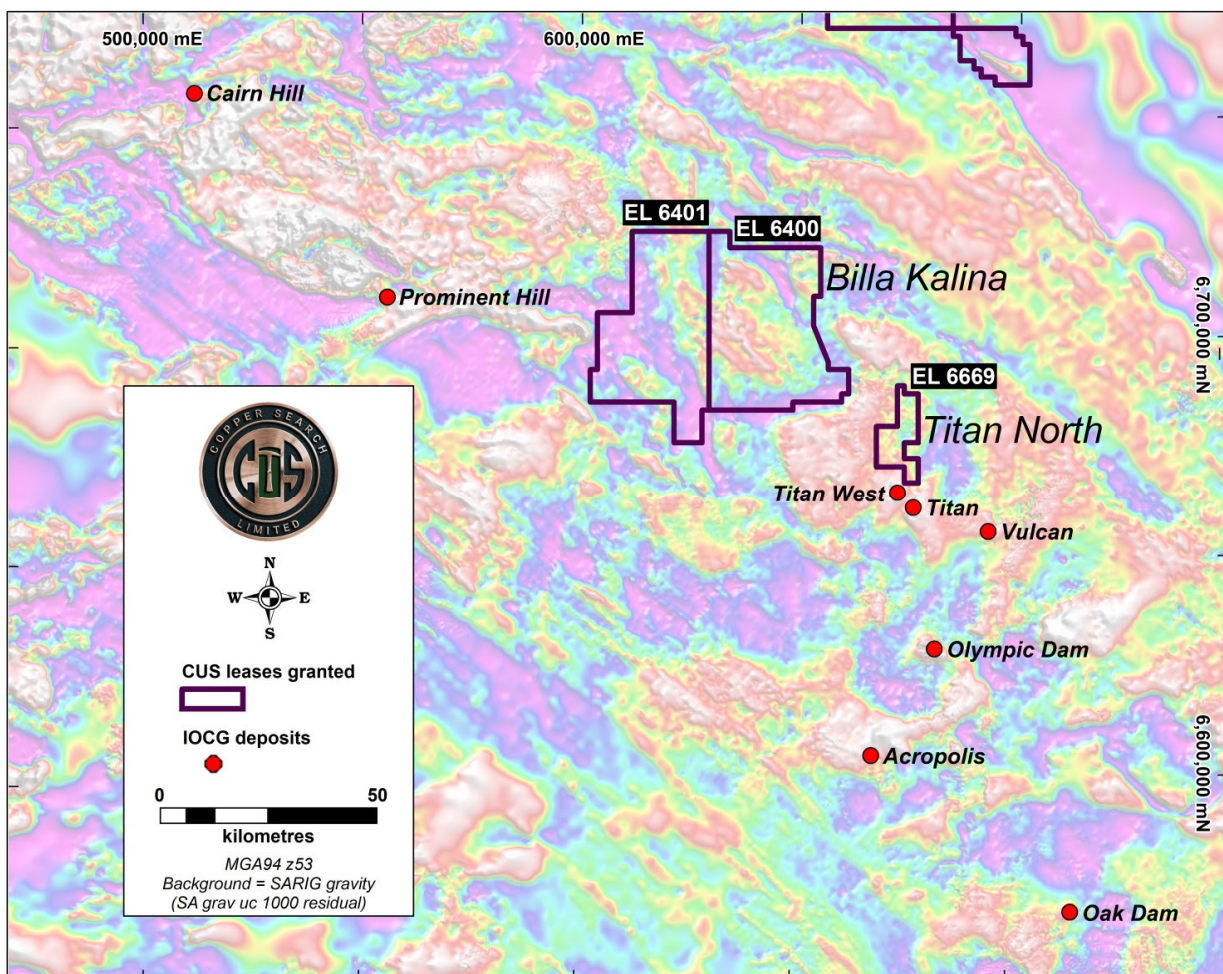


FIGURE 1—TITAN NORTH—GRANTED EXPLORATION LICENCE—LOCATION MAP

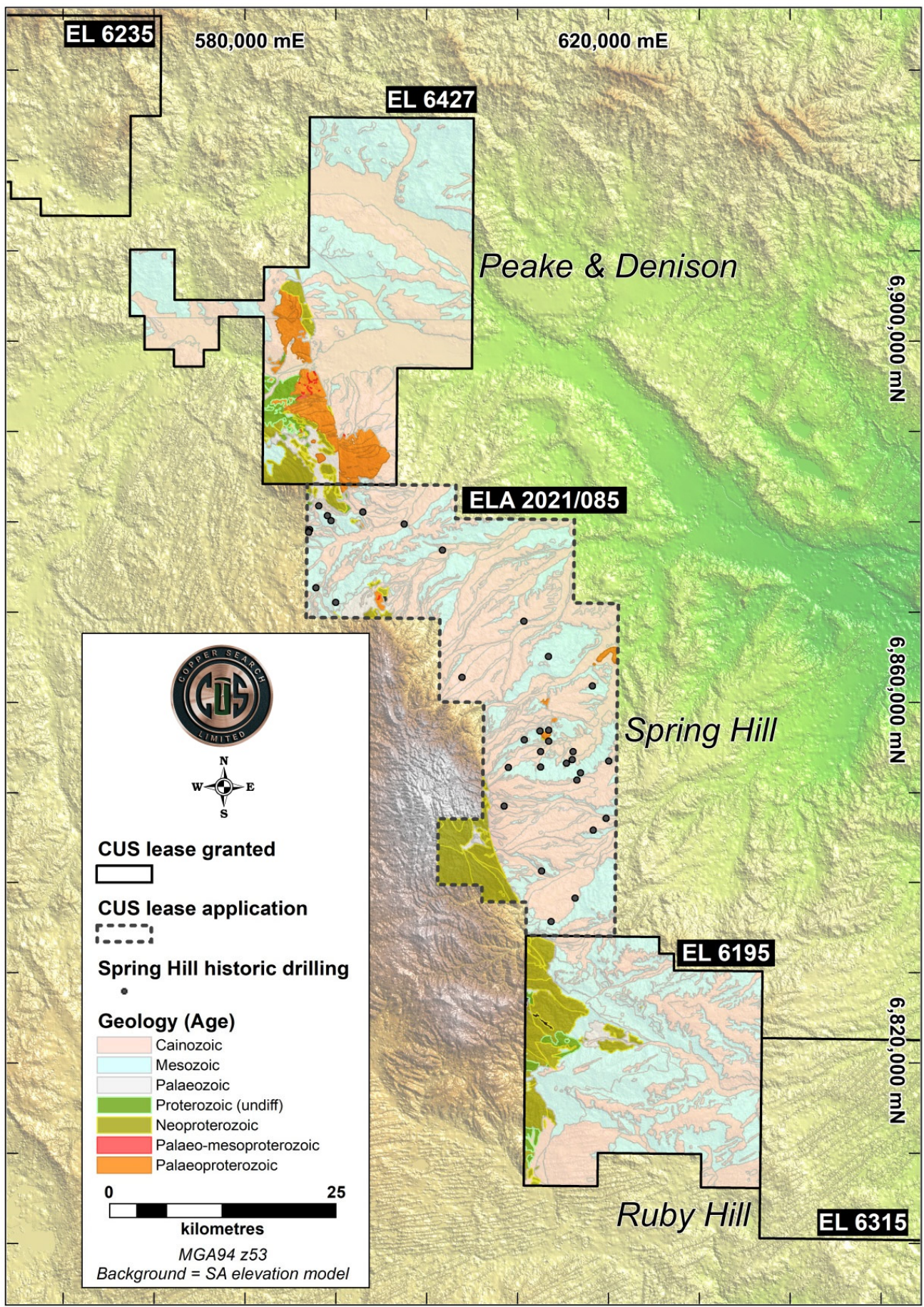


FIGURE 2—EXPLORATION LICENCE APPLICATION—ELA 2021/085

South Australian exploration team established

Despite extensive in-house technical experience and capabilities, Copper Search moved to establish a South Australian-based exploration team, primarily to limit any potential COVID-related disruptions to what is expected to be a largely continuous programme of work over the next 12-18 months.

The Company has appointed Richard Hill to lead this team as Senior Exploration Geologist. Richard is a highly experienced industry professional that is suitably familiar with Gawler Graton geology, having worked at Prominent Hill and on several other projects in the area.

Corporate

After paying listing-related costs and funding exploration activities, the Company finished the quarter with an available cash balance of \$11.4M.

Related party payments included within the payments for the quarter disclosed in the Appendix 5B lodged together with this quarterly report amounted to \$117K. \$6K of this was a reimbursement for tenement expenses paid by Macallum Group Ltd. \$111K of this was in accordance with the contractual provision by Macallum Group Ltd of facilities and premises as well as the provision of services of geologists and the CEO. Macallum Group Ltd is an entity controlled by Director Peter McIntyre.

Capital Structure

As at 30 September 2021, the Company's capital structure consisted of the following:

Ordinary Fully Paid Shares

- Listed / Un-escrowed	49,333,005
- Escrowed up to 24 February 2022	1,679,149
- Escrowed up to 1 June 2022	1,782,741
- Escrowed up to 15 September 2023	29,613,047
	82,407,942

Options to Acquire Ordinary Fully Paid Shares

- Unlisted \$0.50 Broker options expiring 15 September 2024	2,000,000
- Unlisted \$0.50 Director options expiring 15 September 2024	250,002

-ENDS-

Further Information:

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Appendix 1 Tenement and Other Information

In accordance with ASX listing rule 5.3.3, below is a list of tenements held by the Group as at 30 September 2021 with any changes during the quarter noted.

All exploration licences are held by Copper Search Australia Pty Ltd which is a 100% owned subsidiary of Copper Search Ltd.

COUNTRY	STATE / LOCATION	AREA / PROJECT NAME	TENEMENT REF. (EL)	CHANGE (%)	CURRENT INTEREST (%)
Australia	SA / Gawler Craton	Ruby Hill (West) [Ruby Hill]	6314	-	100%
Australia	SA / Gawler Craton	Ruby Hill (East) [Ruby Hill]	6315	-	100%
Australia	SA / Gawler Craton	William Creek [Ruby Hill]	6195	-	100%
Australia	SA / Gawler Craton	Stuart's Creek [Ruby Hill]	6238	-	100%
Australia	SA / Gawler Craton	Curdimurka [Ruby Hill]	6181	-	100%
Australia	SA / Gawler Craton	Peake & Denison [Peake & Denison]	6427	-	100%
Australia	SA / Gawler Craton	Allandale [Peake & Denison]	6235	-	100%
Australia	SA / Gawler Craton	Wantamarian Creek [Billa Kalina]	6401	-	100%
Australia	SA / Gawler Craton	Dismal Plain [Billa Kalina]	6400	-	100%
Australia	SA / Gawler Craton	Mt Arthur	6236	-	100%
Australia	SA / Gawler Craton	North Titan	6669	+100%	100%

Compliance Statement

This report is based on information compiled by Mr Martin Spivey, a Member of the Australian Institute of Mining and Metallurgy. He is an employee of Macallum Group Limited and has a services agreement in place with Copper Search Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Martin Spivey has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(321)	(321)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(47)	(47)
	(e) administration and corporate costs	(395)	(395)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
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	(763)	(763)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(4)	(4)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,000	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)	(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	11,275

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	905	905
4.2	Net cash from / (used in) operating activities (item 1.9 above)		
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(763)	(763)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	(4)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	11,275	11,275
4.6	Cash and cash equivalents at end of period	-	-
		11,413	11,413

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	11,413	905
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)	11,413	905

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	117
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>		
Recharges for tenement expenses from Macallum Group Ltd (Director controlled entity - \$6K). Provision of Geologists/CEO/Premises invoiced from Macallum Group Ltd (Director controlled entity - \$111K).		

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	1,564
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)	1,564
8.4 Cash and cash equivalents at quarter end (item 4.6)	11,413
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	11,413
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7
<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:	
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:	

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:

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: 28 November 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

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