



**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**



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DIRECTORS REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Your Directors present their report on the entity for the half year ended 31 December 2020.

Directors

The names and details of the Company's Directors in office at any time during the half year and until the date of this report (unless otherwise stated) are detailed below.

Chris Sutherland – Non-Executive Director / Chairman (appointed 30 April 2020)

Peter McIntyre – Non-Executive Director (appointed 1 May 2021)

Greg Hall – Non-Executive Director (appointed 1 May 2021)

Dr Antonio Belperio – Non-Executive Director (appointed 1 May 2021)

Rance Dorrington – Non Executive Director (resigned as Director 11 May 2021) / Company Secretary (continuing)

Martin Spivey – Non-Executive Director (resigned 11 May 2021)

Chris Reindler—Non Executive Director (resigned 30 April 2020)

Principal Activities

The principal continuing activities of the entity during the financial year was the acquisition of exploration tenements and exploration for minerals.

There were no changes in the nature of the activities of the entity during the half year.

Operating Results

The net operating loss of the entity for the half year ended 31 December 2020 after income tax amounted to \$332,228. (2019: \$389,282).

Dividends Paid or Recommended

No dividend was paid or declared during the half year and the Directors do not recommend the payment of a dividend.

Review of Operations

The Company continues to operate solely as a minerals exploration company with licenses located solely within the Gawler Craton region of South Australia. The Company has or expects to have access to sufficient funds to continue with planned exploration efforts on those licenses that the Company intends to continue to hold.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the half year.

Corporate

Cash Position at 31 December 2020

The Company had a closing cash balance of \$346,174 at 31 December 2020.

Board Changes

There were no changes to the Board during the half year.



DIRECTORS REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Events since the end of the half year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 31 December 2020, 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.

In February 2021, Copper Search Australia Pty Ltd completed a rights issue, with the issue of 3,382,227 ordinary shares at \$0.15 per share to raise \$507,334.

In April 2021, the Company proposed to seek a listing on the ASX as soon as possible with an Initial Public Offer "IPO" to be made via the issue of a prospectus to raise a minimum of A\$9M and maximum of A\$12M. All legal and other requirements to prepare for this have been commenced and are currently under way.

As a result of the planned IPO, in May 2021 the board have triggered an early call for the exercise of 100% of the issued options, being 4,430,000 10c options issued to subscribers in 2020 together with 1,500,000 10c options issued to the directors holding office in December 2020.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely developments

The entity is continuing to pursue its principal activities.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires the entity's auditors, BDO Audit (WA) Pty Ltd to provide the directors with a written Independence Declaration in relation to their review of the financial statements for the period ended 31 December 2020. The written Auditor's Independence Declaration forms part of this Directors' Report.

Dated this 22 JUNE 2021 Director 



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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF COPPER SEARCH AUSTRALIA PTY LTD

As lead auditor for the review of Copper Search Australia Pty Ltd for the half-year ended 31 December 2020, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 24 June 2021



**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

		HALF YEAR ENDED	
		31 DECEMBER 2020	31 DECEMBER 2019
	Note	\$	\$
Revenue and Income			
Interest revenue		-	545
Total revenue and income		-	545
Expenses			
Administration and corporate expenses	2	(77,017)	(18,383)
Exploration expenses written off as incurred	2	(255,211)	(371,444)
Total expenses		(332,228)	(389,827)
Loss before income tax		(332,228)	(389,282)
Income tax expense	3	-	-
Loss after income tax attributable to members of Copper Search Australia Pty Ltd		(332,228)	(389,282)
Other comprehensive loss net of tax		-	-
Total comprehensive loss		(332,228)	(389,282)
Loss per share for the half year attributable to the members of Copper Search Australia Pty Ltd		Cents Per Share	Cents Per Share
Basic and diluted loss per share	4	(0.863)	(3.845)

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



STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		31 DECEMBER 2020	30 JUNE 2020
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	5	346,174	502,052
Other receivables	6	4,135	4,305
Total Current Assets		350,309	506,357
Non Current Assets			
Deferred exploration expenditure acquisition costs	7	242,548	-
Total Non Current Assets		242,548	-
Total Assets		592,857	506,357
Liabilities			
Current Liabilities			
Trade and other payables	8	179,079	72,899
Total Current Liabilities		179,079	72,899
Non Current Liabilities			
Trade and other payables	8	-	-
Total Non Current Liabilities		-	-
Total Liabilities		179,079	72,899
Net Assets		413,778	433,458
Equity			
Issued capital	9	2,842,060	2,529,512
Accumulated losses		(2,428,282)	(2,096,054)
Total Equity		413,778	433,458

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



STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	2,529,512	-	(2,096,054)	433,458
Loss for the half year	-	-	(332,228)	(332,228)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the half year net of tax	-	-	(332,228)	(332,228)
Transactions with owners in their capacity as owners				
Issue of share capital during the half year	312,548	-	-	312,548
Balance at 31 December 2020	2,842,060	-	(2,428,282)	413,778
Balance at 1 July 2019	2,156,512	-	(1,422,250)	734,262
Loss for the half year	-	-	(389,282)	(389,282)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive loss for the half year net of tax	-	-	(389,282)	(389,282)
Transactions with owners in their capacity as owners				
Issue of share capital during the half year	-	-	-	-
Balance at 31 December 2019	2,156,512	-	(1,811,532)	344,980

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



STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		HALF YEAR ENDED	
		31 DECEMBER 2020	31 DECEMBER 2019
	Note	\$	\$
Cash flows from operating activities			
Interest received		-	545
Other income		-	108,160
Payments to suppliers (Including GST)		(225,878)	(321,612)
Net cash flows used in operating activities	10	(225,878)	(212,907)
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		70,000	-
Net cash flows from financing activities		70,000	-
Net increase / (decrease) in cash and cash equivalents held		(155,878)	(212,907)
Add opening balance of cash and cash equivalents		502,052	277,405
Closing cash and cash equivalents at end of year		346,174	64,498

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



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

Early Adoption of Standards

The Company has not elected to apply any pronouncements before their operative date for the reporting period beginning 1 July 2020.

Going Concern

The financial statements for the half year ended 31 December 2020 have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activities, realisation of assets and settlement of liabilities in the normal course of business .

During the half year, the Company recorded a loss of \$332,228 (2019: \$389,282) and had net cash outflows from operating activities of \$225,878 (2019: \$212,907).

The Company will require additional funding to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration activities and meeting its annual tenement expenditure commitments.

The ability of the Company to continue as a going concern is dependent upon the Company securing additional funding through raising equity by way of an IPO or other means or undertaking a whole or partial sale of interests in its mineral exploration assets.

These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Company will be able to raise additional funds to meet its debts as and when they fall due and it is appropriate for the financial statements to be prepared on a going concern basis as the Company is currently in the process of preparing for an IPO. Should the IPO not proceed or be delayed, the Company may:

- Scale back certain activities that are non-essential so as to conserve cash;
- Undertake a whole or partial sale of interests in mineral exploration assets, and
- Raise capital by means other than the IPO.

Should the Company not be able to continue as a going concern it may be required to realise assets and discharge liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

(b) Segment Reporting

Operating segments where they exist are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Foreign Currency Translation

i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss and Other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue Recognition

i) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

ii) Revenue

Revenue is recognised when the control of the goods has been transferred to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and short-term deposits.

(f) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less Expected Credit Loss. Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The movement in the provision is recognised in profit or loss.

Expected credit losses of financial asset at amortised cost

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(g) Other Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial report date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Exploration, Evaluation and Development Expenditure

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 are written off immediately as and when they are incurred.

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

(i) 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

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

(k) Employee Benefits

i) Short Term Obligations

Where paid, liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Where incurred, profit sharing and bonus plans are recognised as expenses in profit or loss. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

ii) Share Based Payments

Where share based compensation benefits are provided to employees as options, the fair value of the options is to be recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Borrowing Costs

Borrowing costs are recognised as an expense as and when incurred.

(m) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided on all temporary differences at the statement of financial position date, arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and are recognised for all taxable temporary differences:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses to the extent it is probable that future taxable amounts will be available to utilise those temporary differences and losses:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future extent that it is probable that the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the half year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable; and

Receivables and payables are stated with the amount of GST included.

- The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.
- Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

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



NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Contributed Equity

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 proceeds.

(p) Earnings per Share

i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, 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 half year.

ii) 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 share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Research & Development Expenditure — Taxation Incentive

The Company has incurred expenditure that it may claim a taxation incentive for Research & Development costs incurred. Any payment that is due and receivable as a result of any claim is recognised as revenue in the period in which the claim is lodged and the relevant taxation return is lodged.



NOTES TO THE FINANCIAL STATEMENTS

2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated Impairment

The Company tests annually whether any capitalised acquisition and evaluation expenditure for minerals properties have suffered any impairment, in accordance with the accounting policy stated in note 1(i). During the half year the Company recognised \$Nil (2019: Nil) of impairment on acquisition and evaluation expenditure. Where required the recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions like commodity price and production quantity.

(ii) Income Taxes

The Company expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

(iii) 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 entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the 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 entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(iv) Share Based Payments

The fair value of options in the shares of the Company where they are issued to Directors and other parties is recognised as an expense in the financial statements in relation to the granting of these options. The fair value is determined by using either the Binomial or 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.

(v) Acquisition of Assets

In determining whether an acquisition is a business combination or an asset acquisition, management apply significant judgement to assess whether the net assets acquired constitute a 'business' in accordance with AASB 3. Under that standard, a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and necessarily consists of inputs, processes, which when applied to those inputs, have the ability to create outputs. Judgement is also exercised in determining the value of the net assets acquired and consideration paid.



NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED

31 DECEMBER 2020	31 DECEMBER 2019
\$	\$

NOTE 2 — EXPENSES

Administration and Corporate Expenses includes:-

Other administration and corporate expenses	77,017	18,383
	<u>77,017</u>	<u>18,383</u>

Exploration expenses written off as incurred includes:-

Exploration costs expensed	255,211	371,444
	<u>255,211</u>	<u>371,444</u>

NOTE 3 — INCOME TAX

Income tax is not payable by the Entity as both current year and carried forward tax losses are available for income tax purposes. Consequently current tax, deferred tax and tax expense are reported 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:-

HALF YEAR ENDED

31 DECEMBER 2020	31 DECEMBER 2019
\$	\$

Loss from continuing operations	(332,228)	(389,282)
Income tax expense/(benefit) calculated at 27.5%	(91,363)	(107,053)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	91,363	107,053
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

Unrecognised deferred tax balances:-

Deferred tax asset from accumulated tax losses	544,028	374,422
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The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when 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.



NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED

31 DECEMBER 2020	31 DECEMBER 2019
\$	\$

NOTE 4 — LOSS PER SHARE

Loss attributable to ordinary equity holders of the Company used in calculation of basic loss per share

Loss from continued operations / loss for the half year

Basic and dilutive loss per share (cents per share)

Weighted average number of ordinary shares outstanding during the half year used in calculation of basic and dilutive loss per share

(332,228)	(389,282)
Cents	Cents
(0.863)	(3.845)
Number	Number
38,503,180	10,125,186

NOTE 5 — CASH AND CASH EQUIVALENTS

Cash at bank

\$	\$
346,174	64,498

NOTE 6 — TRADE AND OTHER RECEIVABLES

Other receivables

GST refund due

R & D refund due

4,135	7,971
-	388,613
4,135	396,584

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

NOTE 7 — DEFERRED EXPLORATION EXPENDITURE ACQUISITION COSTS

Exploration expenditure is expensed directly to the statement of profit or loss as and when it is incurred and is included as part of cash flows from operating activities in the period in which it is paid. Exploration costs are capitalised only where they result from an acquisition or contribution. Any costs that are carried forward that relate to any area of interest that has been abandoned are written off in the period that the decision to abandon is made.

31 DECEMBER 2020	31 DECEMBER 2019
\$	\$

Deferred exploration expenditure acquisition costs brought forward

Capitalised exploration acquisition costs incurred during the half year—
acquisition of licenses

Deferred exploration expenditure acquisition costs carried forward

-	-
242,548	-
242,548	-

Recoupment of exploration acquisition costs carried forward is dependent upon the successful development and commercial exploitation or the sale of an area of interest.



NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED

	31 DECEMBER 2020	31 DECEMBER 2019
	\$	\$

NOTE 8 — TRADE AND OTHER PAYABLES

Current trade and other payables

Trade creditors	179,078	105,102
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Non-current trade and other payables

Shareholder loans payable*	-	11,000
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* Shareholder loans were provided by all shareholders under an Earn-in and Shareholder Agreement dated 16 June 2017. These loans were paid out under a Deed of Termination and Release dated 28 March 2019 at which time the shareholders all agreed to receive shares to pay out the cash balances of the shareholder loans.

These amounts are expected to be settled within 12 months.

Due to the short term nature of these payables, their carrying amount is assumed to approximate their fair value.

	31 DECEMBER 2020	31 DECEMBER 2019
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Number of Shares	\$	\$
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NOTE 9 — ISSUED CAPITAL

Issued Capital—Ordinary Shares

(2019:- 10,125,186 2018:- 200)	38,810,000	2,842,060	2,156,512
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Movements in ordinary share capital

Opening balance— 1 July 2018	200
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Closing balance— 31 December 2018	200
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Opening balance— 1 July 2019	10,125,186	2,156,512
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Closing balance— 31 December 2019	10,125,186	2,156,512
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Opening balance— 1 July 2020	13,855,186	2,529,512
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Issue of shares to subscribers— July / August 2020	700,000	70,000
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Issue of shares for acquisition of licenses	24,254,814	242,548
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Closing balance— 31 December 2020	38,810,000	2,842,060
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NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED

31 DECEMBER 2020 31 DECEMBER 2019

Number of Options \$ \$

NOTE 9 — ISSUED CAPITAL (CONTINUED)

Issued Capital—Options to acquire Ordinary Shares

(2019:- Nil 2018:- Nil)	4,430,000	-	-
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Movements in options

Opening balance— 1 July 2020	3,730,000	-	
Issue of options— June 2020	700,000	-	
Closing balance— 30 June 2020	4,430,000	-	

Options were issued free of charge on a 1:1 basis together with each ordinary share subscribed for between June and August 2020. The options have a final exercise date of 11 June 2023 but may be called earlier at the discretion of the board if an event triggering an earlier call occurs and the board determines such call should be made.

31 DECEMBER 2020 31 DECEMBER 2019

\$ \$

NOTE 10 — CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from continuing operations after income tax.

Loss after income tax	(332,228)	(389,282)
Non cash flows in loss		
Increase / (decrease) in trade creditors	106,180	72,375
(Increase) / decrease in trade and other receivables	170	104,000
Cash outflows from operations	(225,878)	(212,907)

NOTE 11 — RELATED PARTY TRANSACTIONS

(a) Parent Entity

The ultimate parent entity that exercises control over the Company is Macallum Group Ltd “Macallum” which is incorporated in Australia. Macallum at present holds 61% of all issued ordinary shares (0% of issued options).

During the year ended 30 June 2018, Macallum had provided shareholder loan funding together with all other shareholders in proportion to shareholdings at the time. Funding was provided under the terms of a Shareholders Agreement dated 16 June 2017. With effect from 12 January 2018 this agreement was cancelled and all holders swapped the dollar value of loan balances for the issue of ordinary shares equal to the amount of loans outstanding. No interest was charged or paid in relation to the loans due to the short term that funds were outstanding.

Macallum has provided and continues to provide services for the management and operations of Copper Search Australia Pty Ltd, including corporate services and operation and management of exploration activities. These services are recharged to Copper Search Australia 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. Directors Martin Spivey and Rance Dorrington are currently paid employees of Macallum.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 — RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Parent Entity (Continued)

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 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 Copper Search holds all right and titles to exploration properties now held within South Australia 100%, unencumbered and without any joint venture or royalty obligations.

(b) Subsidiaries

Since incorporation and up to the date of this report Copper Search Australia Pty Ltd has no interests in wholly owned or controlled entities.

(c) Transactions with other related parties

In December 2020, Copper Search Australia Pty Ltd has implemented an Employee Share Option Plan 'ESOP' which has to date only issued options for the benefit of the current directors holding office on 11 December 2020.

At present all ESOP options have been issued with a \$0.10 exercise price, are now fully vested with a revised final exercise date of 10 June 2021.

The quantity of vested options issued to each director are:-

- Chris Sutherland (Director / Chairperson) —1,000,000
- Martin Spivey (Former Director / Technical adviser) - 250,000
- Rance Dorrington (Director / Company Secretary) - 250,000

In June 2021 the board has determined that an early triggering event has occurred and the options have now been fully vested by the board.

There has been no other transactions with related parties.

NOTE 12 — DIVIDENDS

No dividend was paid or declared during the half year and the Directors have not recommended the payment of any dividend.

NOTE 13 — COMMITMENTS

The company had no changes to tenement expenditure commitments from 30 June year end

NOTE 14 — CONTINGENCIES

There were no known contingent liabilities or contingent assets at 31 December 2020 (June 2020: Nil)



NOTES TO THE FINANCIAL STATEMENTS

NOTE 15 — EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, 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.

In February 2021, Copper Search Australia Pty Ltd completed a rights issue, with the issue of 3,382,227 ordinary shares at \$0.15 per share to raise \$507,334.

In April 2021, the Company proposed to seek a listing on the ASX as soon as possible with an Initial Public Offer "IPO" to be made via the issue of a prospectus to raise a minimum of A\$9M and maximum of A\$12M. All legal and other requirements to prepare for this have been commenced and are currently under way.

As a result of the planned IPO, in May 2021 the board have triggered an early call for the exercise of 100% of the issued options, being 4,430,000 10c options issued to subscribers in 2020 together with 1,500,000 10c options issued to the directors holding office in December 2020.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.



DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 5—22, are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half year ended on that date of the company;
- 2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board
- 4) The Directors have been given the declaration by the Executive Director and Chief Financial Officer required by section 295A of the Corporation Act 2001.
- 5) The remuneration disclosures contained on the Remuneration Report comply with section 300A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to read "Peter McIntyre", is written over a horizontal dotted line.

Peter McIntyre

Director

22 June 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Copper Search Australia Pty Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Copper Search Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a faint, stylized 'BDO' logo.

Glyn O'Brien

Director

Perth, 24 June 2021