



QUARTERLY ACTIVITIES REPORT

PERIOD ENDED—31 DECEMBER 2021

27 JANUARY 2022

ABN — 78 650 673 500

ASX code — CUS

Directors—

Peter McIntyre—CEO

Chris Sutherland—Chair

Tony Belperio

Greg Hall

Project Manager—

Martin Spivey

CFO / Company Secretary —

Rance Dorrington

rdorrington@coppersearch.com.au

Public Relations—

Luke Forrestal

GRA Partners

Luke.forrestal@grapartners.com.au

+61 411 479 144

Registered Address—

11 Moreau Mews

Applecross WA 6153

Telephone—

+61 8 6159 9100

Web Site—

www.coppersearch.com.au

HIGHLIGHTS

- Drilling took place at the Billa Kalina and Ruby Hill Projects during the quarter
- Drill rig relocated from Billa Kalina to Ruby Hill due to timing considerations related to the South Australian Government co-funded Accelerated Discovery Initiative (ADI) award for Douglas Creek prospect
- Douglas Creek drill hole (ACDDH01a) intersected basement at 370 metres, approximately 70 metres lower than expected. This is the first basement penetration ever made on EL 6195. The hole was completed at 728.3 metres
- Basement rocks at Douglas Creek are strongly altered and feature brecciated metasediments and possible felsic rocks
- Intense alteration and structural deformation/brecciation at Douglas Creek are viewed as an endorsement of Copper Search's targeting methodology
- Given the encouraging levels of alteration and structure observed, Copper Search is planning a significant program of infill gravity over portions of EL 6195 and adjacent EL 6315 (Ruby Hill Project). The infill gravity stations will be acquired on a nominal 400-metre grid, which is expected to materially enhance the usefulness of such data for prioritising and targeting future drill holes in the area
- A drilling problem encountered at Billa Kalina resulted in the hole being abandoned without intersecting basement
- Drilling at Billa Kalina will resume in the New Year. Consideration is also being given for a trial line of 2D seismic at Billa Kalina in order to gain additional perspectives on subsurface geology in the project area
- Additional Aboriginal Heritage Surveys are being planned in order to maintain a pipeline of future drilling targets
- Magnetic data cube modelling is currently underway for EL 6669 (North Titan Project)

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

Drilling Operations

Drilling operations (rotary mud-diamond core) were carried out on EL 6401 (Billa Kalina Project) and EL 6195 (Ruby Hill Project). The Billa Kalina Project is located within the Defence Infrequent Use sector of the Woomera Prohibited Area.

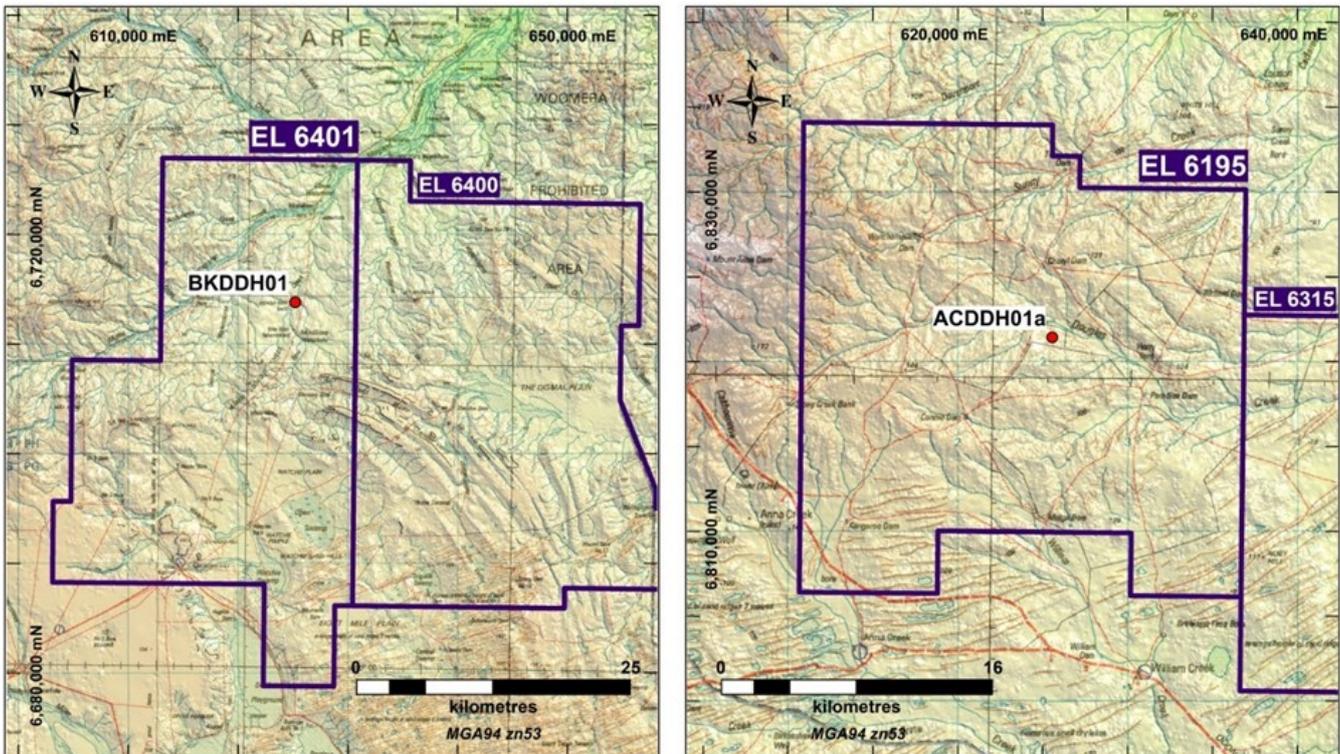


Figure 1: Drill hole Location Plan, Billa Kalina Project (left) and Ruby Hill Project (right)

Billa Kalina Project

Diamond drilling commenced at Billa Kalina in the period following listing of the company. The target for BKDDH01 was a pipe-like feature defined by magnetic modelling, interpreted to be located within a large complex alteration pattern associated with interpreted dyke-like bodies. During drilling, the hole encountered a significant cavity in a calcareous silty diamictite resulting in a loss of drilling equipment in the hole, which terminated within the cover sequence at 363 metres. Due to time constraints, drilling at Billa Kalina temporarily concluded, and the drilling equipment mobilised to the Ruby Hill Project.

Discussion and Next Steps

The loss of BKDDH01 before intersecting basement is disappointing. Further drilling at Billa Kalina is planned for the coming quarter. In particular, it will be important to clarify the nature of the basement rocks in the area targeted by drilling. To this end, the Company is assessing the potential for other geophysical techniques, such as 2D seismic, to investigate the sub-surface geology at Billa Kalina.

Drilling is expected to resume at Billa Kalina by mid-January.

Ruby Hill Project

Drilling at the Douglas Creek prospect within the Ruby Hill Project area took place over November and December. The Company was awarded a co-funding grant for Douglas Creek as part of the South Australian government's Accelerated Discovery Initiative.

Diamond hole ACDDH01a was drilled to a final depth of 728.3 metres. Peake Metamorphic basement rocks were intersected at 370 metres, approximately 70 metres deeper than modelled.

Basement rocks intersected comprised variably altered and brecciated sediments and possible felsic volcanic rocks. Alteration is locally intense silica-sericite, with some hematite dusting (red-rock alteration) and local specular hematite and K-spar alteration (Photo 1). No sulphide mineralisation was intersected. Further data analysis will be done on the magnetic model targeted by the drilling.

Processing of the core will include the cutting and analysis of selected intervals for a range of elements.



Photo 1: Intensely fractured and silicified sediments from ACDDH01a. Depth is approximately 382 metres. The top of basement is 370 metres

Discussion and Next Steps

The drilling of ACDDH01a represents the first basement intersection ever recorded on EL 6195, which covers an area of 641 square kilometres. Given that significant levels of deformation and alteration exist within the core, Copper Search believes that this is an endorsement of its targeting methodology. Copper Search also concludes that the Ruby Hill Project area is fertile for the types of deposits sought and is encouraged by the results to date.

As regional gravity data stations over the Ruby Hill Project area have been acquired on a 1-1.5 kilometre grid, Copper Search is preparing to launch a significant infill gravity programme which is expected to greatly improve data resolution over targeted areas, and assist in locating drill holes where magnetic and density targets coincide. A number of the coincident magnetic and density features occur within a short distance of drillhole ACDDH01a.

The infill gravity survey will bring nominal station spacing to 400 metres, and will cover portions of EL 6195 and adjacent EL 6315.

In order to retain a pipeline of cleared and permitted drilling targets, an Aboriginal Heritage Survey of a number of proposed future drillhole sites has been requested by the Company. This is expected to take place in the March quarter, subject to the availability of the clearance team.

North Titan Project (EL 6669)

Magnetic modelling is currently underway for the recently granted North Titan Project (EL 6669). The project area is located on the northern margin of the Stuart Shelf, and has not previously been drilled. The project area is approximately 55 kilometres north of the Olympic Dam copper-gold-uranium mine operated by BHP Group Ltd.

It is expected that results from the 3D data cube modelling will be available in the coming quarter.

Corporate

After paying for exploration activities, administration and corporate costs the Company finished the quarter with an available cash balance of \$10.7M.

Related party payments included within the payments for the quarter disclosed in the Appendix 5B lodged together with this quarterly report amounted to \$87K. This amount related entirely to 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 related to Director Peter McIntyre.

Pandemic related issues continue to present challenges to field operations, however the Company continues to operate in accordance with health and safety protocols and with the safety of staff and other stakeholders in mind.

Capital Structure

As at 31 December 2021, the Company's capital structure consisted of the following:

Ordinary Fully Paid Shares

- Listed / Un-escrowed	49,333,005
- Escrowed to 24 February 2022	1,679,149
- Escrowed to 1 June 2022	1,782,741
- Escrowed 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:

Rance Dorrington
Company Secretary / CFO
rdorrington@coppersearch.com.au

Luke Forrestal
GRA Partners
Luke.forrestal@grapartners.com.au
+61 411 479 144

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 1

Tenement and Other Information (ASX listing rule 5.3.3)

below is a list of tenements held by the Group as at 31 December 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%	0%
Australia	SA / Gawler Craton	Allandale [Peake & Denison]	6235	-	100%
Australia	SA / Gawler Craton	Wantamaran 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%

Use of Funds—Actual vs Estimated per Prospectus (ASX listing rule 5.3.4)

EXPENDITURE ITEM	FORECAST EXPENDITURE FROM LISTING TO DECEMBER 2021 (PER PROSPECTUS)	ACTUAL EXPENDITURE FROM LISTING TO DECEMBER 2021 (UNAUDITED)	VARIANCE + / -	MATERIAL VARIANCE EXPLANATION
Peake & Denison—Geophysical studies, exploration and tenure	1,096	66	- 1,030	Anticipated drilling and other works not as yet conducted
Mt Arthur—Geophysical studies, exploration and tenure	99	3	- 96	Other works not conducted as yet
Ruby Hill—Geophysical studies, exploration and tenure	48	361	+ 313	Drilling brought forward to this area
Billa Kilina—Geophysical studies, exploration and tenure	931	225	- 706	Less drilling than planned and other works not commenced as yet
North Titan—Geophysical studies, exploration and tenure	-	42	+ 42	Some works commenced earlier than anticipated
Corporate Administration and Working Capital	568	266	- 302	Activities behind anticipated start dates
Costs of the Offer	720	720	-	
TOTAL (\$,000)	3,462	1,683	- 1,779	

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 Dec 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(551)	(872)
(b) development	-	-
(c) production	-	-
(d) staff costs	(103)	(150)
(e) administration and corporate costs	(88)	(483)
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	(742)	(1,505)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(4)
(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)	-	-
2.6	Net cash from / (used in) investing activities	-	(4)
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	11,413	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)	(742)	(1,505)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(4)

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
4.5	Effect of movement in exchange rates on cash held	-	11,275
4.6	Cash and cash equivalents at end of period	-	-
		10,671	10,671

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	10,671	11,413
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)	10,671	11,413

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	87
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>		
Provision of Geologists/CEO/Premises invoiced from Macallum Group Ltd (Director controlled entity - \$87K).		

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)	309
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)	309
8.4 Cash and cash equivalents at quarter end (item 4.6)	10,671
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	10,671
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	34
<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:	

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

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.

27 January 2022

Date:

By the Board

Authorised by:
(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.