

**Copper Strike Limited**

**ABN 16 108 398 983**

**Half-year Financial Report - 31 December 2012**

**Copper Strike Limited**  
**Contents**  
**31 December 2012**

**Contents**

	Page
Corporate directory	3
Review of operations	4
Directors' report	5
Auditor's independence declaration	6
Financial report	
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	15
Independent auditor's review report to the members of Copper Strike Limited	16

**Copper Strike Limited**  
**Corporate directory**  
**31 December 2012**

Directors	Tom Eadie (Executive Chairman) John Dunlop (Non-Executive Director) Barrie Laws (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 9, 356 Collins Street Melbourne, VIC 3000 Tel: 61 3 9640 0955 Fax: 61 3 9642 0698
Principal place of business	Level 9, 356 Collins Street Melbourne, VIC 3000 Tel: 61 3 9640 0955 Fax: 61 3 9642 0698
Share register	Security Transfer Registrars Pty Ltd Alexandra House Suite 1, 770 Canning Highway Applecross WA 6153
Auditor	Grant Thornton Audit Pty Ltd 215 Spring Street Melbourne Victoria 3000
Solicitors	Baker & McKenzie Level 19 181 William Street Melbourne Victoria 3000
Stock exchange listing	Copper Strike Limited shares are listed on the Australian Securities Exchange (ASX code: CSE)
Website	<a href="http://www.copperstrike.com.au">www.copperstrike.com.au</a>

### **Highlights**

- Careful assessment of several companies, projects and exploration opportunities has not yet led to any acquisitions, mergers or joint ventures.
- Preparations completed for drilling programme to be completed in February 2013 on licence EL5415 in Victoria for heavy mineral sands.

### **Activities**

Copper Strike's strategy has been to complete a share-based transaction that will effectively utilise the Company's assets and expertise. This has not yet occurred because Copper Strike's main asset is 11 million Syrah Resources Limited shares currently worth over \$36 million. The volatility and positive outlook for this asset has made it difficult to agree a long term value of Copper Strike shares with potential partners, making a share based transaction difficult.

In the meantime, good exploration opportunities, such as the Victorian mineral sands project, are being investigated. Preparations for drilling in the Warracknabeal, Victoria, area on Exploration Licence 5415 have been completed with drilling scheduled to start in early February 2013.

**Copper Strike Limited**  
**Directors' report**  
**31 December 2012**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Copper Strike Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2012.

**Directors**

The following persons were directors of Copper Strike Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Tom Eadie (Executive Chairman)  
Mr Barrie Laws (Non Executive Director)  
Mr John Dunlop (Non Executive Director)

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Exploration for base and precious metals, and investment activities.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$20,588 (31 December 2011: profit of \$1,017,723).

Refer to the detailed Review of Operations preceeding this report.

**Financial Position**

The net assets of the consolidated entity increased by \$3,479,153 to \$25,674,064 as at 31 December 2012 (30 June 2012: \$22,194,911). This was a result, mainly, of the increase in the value of financial assets held of \$5,110,002 which is partly offset by an increase in the deferred tax liability relating to financial assets of \$1,565,261.

The consolidated entity's working capital, being current assets less current liabilities decreased by \$293,142 to \$2,445,198 (30 June 2012: \$2,738,340).

The Directors believe the consolidated entity is in a strong and stable position to expand and grow its current operations.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



---

Ernest Thomas Eadie  
Executive Chairman

1 March 2013  
MELBOURNE

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000  
GPO Box 4736  
Melbourne Victoria 3001

**T** +61 3 8320 2222  
**F** +61 3 8320 2200  
**E** info.vic@au.gt.com  
**W** www.grantthornton.com.au

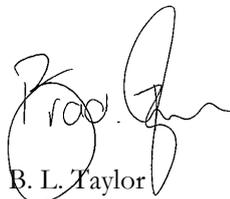
Auditor's Independence Declaration  
To The Directors of Copper Strike Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Copper Strike Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. L. Taylor  
Partner - Audit & Assurance

Melbourne, 1 March 2013

**Copper Strike Limited**  
**Statement of comprehensive income**  
**For the half-year ended 31 December 2012**

		<b>Consolidated</b>	
		<b>31</b>	<b>31</b>
	<b>Note</b>	<b>December</b>	<b>December</b>
		<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>		76,357	127,991
Other income	4	45,000	1,710,000
<b>Expenses</b>			
Administration costs		(140,531)	(274,210)
Exploration expenditure written off		-	(68,195)
Employee benefits expense		(74,357)	(451,265)
Depreciation and amortisation expense		(1,256)	(4,933)
Loss on sale of assets		-	(21,665)
		<u>-</u>	<u>(21,665)</u>
<b>Profit/(loss) before income tax benefit</b>		(94,787)	1,017,723
Income tax benefit		74,199	-
		<u>74,199</u>	<u>-</u>
<b>Profit/(loss) after income tax benefit for the half-year attributable to the owners of Copper Strike Limited</b>		(20,588)	1,017,723
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		3,499,741	-
Loss on the revaluation of available-for-sale financial assets, net of tax		-	(139,999)
		<u>-</u>	<u>(139,999)</u>
Other comprehensive income for the half-year, net of tax		<u>3,499,741</u>	<u>(139,999)</u>
<b>Total comprehensive income for the half-year attributable to the owners of Copper Strike Limited</b>		<u><u>3,479,153</u></u>	<u><u>877,724</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.02)	0.79
Diluted earnings per share		(0.02)	0.79

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*

**Copper Strike Limited**  
**Statement of financial position**  
**As at 31 December 2012**

		<b>Consolidated</b>	
		<b>31</b>	
	<b>Note</b>	<b>December</b>	<b>30 June</b>
		<b>2012</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,513,763	2,760,309
Trade and other receivables		69,132	96,899
Other		-	3,449
<b>Total current assets</b>		<u>2,582,895</u>	<u>2,860,657</u>
<b>Non-current assets</b>			
Available-for-sale financial assets	5	30,740,014	25,630,012
Property, plant and equipment		1,554	2,648
Intangibles		94	256
Exploration and evaluation		223,195	68,584
Deferred tax		1,311,907	1,237,708
Other		7,680	7,680
<b>Total non-current assets</b>		<u>32,284,444</u>	<u>26,946,888</u>
<b>Total assets</b>		<u>34,867,339</u>	<u>29,807,545</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		74,458	70,437
Employee benefits		63,239	51,880
<b>Total current liabilities</b>		<u>137,697</u>	<u>122,317</u>
<b>Non-current liabilities</b>			
Deferred tax		9,055,578	7,490,317
<b>Total non-current liabilities</b>		<u>9,055,578</u>	<u>7,490,317</u>
<b>Total liabilities</b>		<u>9,193,275</u>	<u>7,612,634</u>
<b>Net assets</b>		<u>25,674,064</u>	<u>22,194,911</u>
<b>Equity</b>			
Issued capital		11,221,853	11,221,853
Reserves	6	19,655,749	16,156,008
Accumulated losses		<u>(5,203,538)</u>	<u>(5,182,950)</u>
<b>Total equity</b>		<u>25,674,064</u>	<u>22,194,911</u>

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

**Copper Strike Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2012**

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>				
Balance at 1 July 2011	26,180,126	-	(7,248,647)	18,931,479
Profit after income tax benefit for the half-year	-	-	1,017,723	1,017,723
Other comprehensive income for the half-year, net of tax	-	(139,999)	-	(139,999)
Total comprehensive income for the half-year	-	(139,999)	1,017,723	877,724
<i>Transactions with owners in their capacity as owners:</i>				
Return of Capital	(14,958,273)	-	-	(14,958,273)
Balance at 31 December 2011	<u>11,221,853</u>	<u>(139,999)</u>	<u>(6,230,924)</u>	<u>4,850,930</u>
	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
<b>Consolidated</b>				
Balance at 1 July 2012	11,221,853	16,156,008	(5,182,950)	22,194,911
Loss after income tax benefit for the half-year	-	-	(20,588)	(20,588)
Other comprehensive income for the half-year, net of tax	-	3,499,741	-	3,499,741
Total comprehensive income for the half-year	-	3,499,741	(20,588)	3,479,153
Balance at 31 December 2012	<u>11,221,853</u>	<u>19,655,749</u>	<u>(5,203,538)</u>	<u>25,674,064</u>

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

**Copper Strike Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2012**

	<b>Consolidated</b>	
	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(133,846)	(774,519)
Interest received	29,011	44,176
Other revenue	12,900	44,736
	<u>(91,935)</u>	<u>(685,607)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flows from investing activities</b>		
Payments for investments	-	(300,000)
Payments for exploration and evaluation	(154,611)	(87,582)
Proceeds from sale of tenements	-	16,000,000
	<u>(154,611)</u>	<u>15,612,418</u>
<b>Net cash from/(used in) investing activities</b>		
<b>Cash flows from financing activities</b>		
Net cash from financing activities	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(246,546)	14,926,811
Cash and cash equivalents at the beginning of the financial half-year	<u>2,760,309</u>	<u>3,142,175</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>	<u><u>2,513,763</u></u>	<u><u>18,068,986</u></u>

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

**Copper Strike Limited**  
**Notes to the financial statements**  
**31 December 2012**

**Note 1. General information**

The financial report covers Copper Strike Limited as a consolidated entity consisting of Copper Strike Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Copper Strike Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Copper Strike Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9, 356 Collins Street  
Melbourne, VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 1 March 2013. The directors have the power to amend and reissue the financial report.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 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 2012 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 3. Operating segments**

The consolidated entity is organised into one operating segment which consists of exploration for base and precious metals, with the emphasis on mineral sands, as well as copper and copper-gold mineralisation within Australia. This operating segment is based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining allocation of resources.

**Copper Strike Limited**  
**Notes to the financial statements**  
**31 December 2012**

**Note 4. Other income**

	<b>Consolidated</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2012</b>	<b>2011</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Gain on recognising financial assets	45,000	1,710,000	

Due to the number of shares issued by Syrah Resources Limited (SYR) during the period ended 31 December 2011, Copper Strike's percentage holding in SYR was diluted and was no longer deemed to hold significant influence in SYR. The above amount of \$1,710,000 was recognised in the profit and loss upon initial recognition of the investment in SYR at fair value.

The investment in Syrah Resources Limited had previously been equity accounted for in prior periods.

The amount of \$45,000 recognised in the current period relates to the initial gain on recognising the value of Copper Strike receiving 1,000,000 fully paid ordinary shares in Superior Resources Limited (SPQ) for consideration in abandoning its exploration licence application EPMA 18985 in North Queensland.

Under AASB 139 the investment in Syrah Resources Limited, and Superior Resources Limited has been designated as available for sale and has been valued at fair value with subsequent movements being recognised directly to equity through the available for sale reserve.

**Note 5. Non-current assets - available-for-sale financial assets**

	<b>Consolidated</b>	<b>31</b>	<b>30 June</b>
	<b>December</b>	<b>December</b>	<b>2012</b>
	<b>2012</b>	<b>2012</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Ordinary shares	30,740,014	25,630,012	
<i>Reconciliation</i>			
Reconciliation of the fair values at the beginning and end of the current financial half-year are set out below:			
Opening fair value	25,630,012	-	
Additions	-	300,000	
Initial gain on recognition	45,000	1,710,000	
Revaluation increments	5,065,002	23,620,012	
Closing fair value	30,740,014	25,630,012	

Financial assets available for sale are ordinary shares in listed companies.

During the year ended 30 June 2012, the company's interest in Syrah Resources Limited was diluted. The investment had previously been equity accounted. Upon dilution the investment was transferred to financial assets available for sale, and a gain of \$1.71 million recognised based on the value of the shareholding at the time of the transfer.

During the current period the Company received 1 million ordinary shares in Superior Resources Limited in exchange for abandoning its licence application EPMA18985. The fair value of the shares at the date of transfer was \$45,000.

**Copper Strike Limited**  
**Notes to the financial statements**  
**31 December 2012**

**Note 6. Equity - reserves**

	<b>Consolidated</b>	
	<b>31</b>	
	<b>December</b>	<b>30 June</b>
	<b>2012</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale reserve	<u>19,655,749</u>	<u>16,156,008</u>
	Available- for-sale	Total
	\$	\$
<b>Consolidated</b>		
Balance at 1 July 2012	16,156,008	16,156,008
Revaluation - gross	5,065,002	5,065,002
Deferred tax	<u>(1,565,261)</u>	<u>(1,565,261)</u>
Balance at 31 December 2012	<u>19,655,749</u>	<u>19,655,749</u>

*Available-for-sale reserve*

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

**Note 7. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 8. Contingent liabilities**

There has been no material change to the consolidated entity's contingent liabilities as at 31 December 2012.

**Note 9. Commitments**

	<b>Consolidated</b>	
	<b>31</b>	
	<b>December</b>	<b>30 June</b>
	<b>2012</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<i>Groups Commitments - Exploration Assets</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	160,438
One to five years	<u>1,568,575</u>	<u>1,601,857</u>
	<u>1,568,575</u>	<u>1,762,295</u>

In order to maintain current rights of tenure to exploration tenements, the Company and consolidated entity is required to outlay rentals and to meet the minimum expenditure requirements of the State Mines Departments. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided for in the accounts, but are payable.

**Copper Strike Limited**  
**Notes to the financial statements**  
**31 December 2012**

**Note 10. Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

<b>Name of entity</b>	<b>Country of incorporation</b>	<b>Equity holding</b>	
		<b>31 December 2012</b>	<b>30 June 2012</b>
		<b>%</b>	<b>%</b>
Sherwood Ventures Pty Ltd	Australia	100.00	100.00

**Note 11. Events after the reporting period**

Since 31 December 2012, the fair value of the investment in Syrah Resources Limited (SYR) has increased to \$36.2 million as at 27 February 2013, this is an increase of \$5.5 million since 31 December 2012.

No other matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Copper Strike Limited**  
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



---

Ernest Thomas Eadie  
Executive Chairman

1 March 2013  
MELBOURNE

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000  
GPO Box 4736  
Melbourne Victoria 3001

**T** +61 3 8320 2222  
**F** +61 3 8320 2200  
**E** [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
**W** [www.grantthornton.com.au](http://www.grantthornton.com.au)

## Independent Auditor's Review Report To the Members of Copper Strike Limited

We have reviewed the accompanying half-year financial report of Copper Strike Limited (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### Directors’ responsibility for the half-year financial report

The directors of Copper Strike Limited 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 is free from material misstatement, whether due to fraud or error.

### Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 Copper Strike Limited consolidated entity’s financial position as at 31 December 2012 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. As the auditor of Copper Strike Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

#### Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

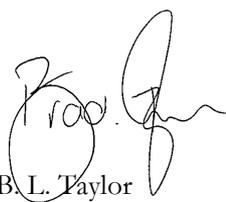
#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Copper Strike Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B. L. Taylor  
Partner - Audit & Assurance

Melbourne, 1 March 2013