Copper Strike Limited

ABN 16 108 398 983

Annual Report - 30 June 2016

Copper Strike Limited
Contents
30 June 2016

Directors	Tom Eadie (Non-Executive Chairman) Brendan Jesser (Non-Executive Director) Mark Hanlon (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne Victoria 3205 Telephone: +61 3 9692 7222
Principal place of business	Level 4 100 Albert Road South Melbourne Victoria 3205 Telephone: +61 3 9692 7222
Share register	Security Transfer Registrars Pty Ltd Alexandra House Suite 1, 770 Canning Highway Applecross WA 6153
Auditor	Grant Thornton Audit Pty Ltd The Rialto Level 30, 525 Collins Street Melbourne Victoria 3000
Stock exchange listing	Copper Strike Limited shares are listed on the Australian Securities Exchange (ASX code: CSE)
Website	www.copperstrike.com.au

Copper Strike Limited
Review of operations
30 June 2016

Overview

Copper Strike's main asset continues to be 11 million shares in ASX-listed Syrah Resources Limited (SYR or Syrah). The primary objective of the Board is to maximise Copper Strike shareholder value in this asset. This may be done by disposal of the shares or by being a long term holder. Either direction will lead to a large proportion of the available cash being returned to shareholders.

The Year in Review

To meet the Board's main objective as listed above, a clear strategy has been enunciated based on an analysis of the tax situation, and the Board's view on the potential of Syrah and its world class Balama graphite project in Mozambique.

To understand the value of Copper Strike's investment in Syrah Resources, the tax situation must be fully understood in the event of a sale of the Syrah shares by Copper Strike. Having looked at many options, Copper Strike believes that in the event of a sale, a franked dividend would be in the best interest of most shareholders.

For Copper Strike to generate sufficient franking credits to pay a fully franked dividend, it must:

1) Dispose of the Syrah shares in the income tax year prior to the income tax year that it franks a dividend; and
2) Return the proceeds as cash and not as an in-specie distribution.

Based on this analysis, the next step was to enunciate a clear strategy for maximising the value of Copper Strike's key asset.

The Company notes that Syrah completed a raising of $211 million in equity capital via an underwritten placement and rights issue in August 2015, and a further $194 million via a placement in June 2016. These raisings have allowed Syrah to progress immediately into construction of its mine, processing plant and associated infrastructure to ensure production is targeted for Q2 2017. In addition, the more recent raising will allow Syrah to accelerate its spherical graphite strategy in response to significant market demand.

Copper Strike strongly supports the Syrah strategy in relation to the development of the Balama Project and furthering studies in relation to its proposed spherical graphite processing facilities in the United States and Mozambique.

Copper Strike believes that the share price of Syrah has considerable upside now that the equity capital raising has been completed, construction has commenced and Syrah continues to release further details in relation to its dealings with its offtake partners and other stakeholders. As such the directors are of the view that it is in shareholders' best interests for the Company to continue to hold this investment to ensure that the potential upside in relation to the development of the world class Balama Project is reflected within the Syrah share price.

During the year, Copper Strike Limited renounced its entitlements in the Syrah Resources Institutional Entitlement Offer. The renounced entitlements were sold via the institutional bookbuild, with the proceeds from the sale in excess of the Offer Price returned to renouncing shareholders. Copper Strike received proceeds of $578,948 on 13 August 2015 in relation to the renounced entitlements.

In October 2015, Keybridge Capital Limited (ASX: KBC), announced that it had become a substantial shareholder in Copper Strike. KBC continued to increase its ownership of CSE shares until March 2016, when it and its wholly owned entities owned 11.24% of the Company.

In April 2016, Gasmere Pty Limited announced that it had become substantial shareholder in Copper Strike Limited. Gasmere continued to increase its ownership in CSE shares until June 2016, when it announced that it holds a 19.99% interest in the Company.

Copper Strike's efforts to lower expenditure have been effective with quarterly expenditure lowered to significantly less than $100,000 per quarter. This has been accomplished by having no exploration expenditure, no executives and no dedicated office.

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Tom Eadie (Non-Executive Chairman)
Mr Brendan Jesser (Non-Executive Director)
Mr Mark Hanlon (Non-Executive Director)

Principal activities
During the financial year the principal continuing activities of the company consisted of:
- Reviewing potential exploration and development resource acquisitions and management of the Company’s investments.

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

Review of operations
The profit for the company after providing for income tax amounted to $166,636 (30 June 2015: loss of $135,904).

Refer to separate detailed review of operations preceding this Director's report.

Financial Position

The net assets of the Company increased by $17,314,909 to $48,908,839 as at 30 June 2016 (30 June 2015: $31,593,930). The main reason for the increase this financial year is due to the revaluation increment of $24,498,243 attributable to the value of financial assets held.

The Company working capital, being current assets less current liabilities increased by $311,686 to $785,969 (30 June 2015: $474,283).

The Directors believe the Company 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 company during the financial year.

Matters subsequent to the end of the financial year
Since 30 June 2016, the fair value of the investment in Syrah Resources Limited (ASX Code: SYR) has decreased to $48,620,022 as at 8 August 2016. This is a decrease of $17,050,008 since 30 June 2016. The net assets of the Company have also decreased by approximately $11.8 million to approximately $37 million as at 8 August 2016, since 30 June 2016.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
The Company’s main corporate focus in the coming periods is to seek to complete a transaction which could effectively utilise the Company’s assets and expertise in mineral exploration. No such transaction is planned that will dilute Copper Strike shareholders' leverage to Syrah Resources Limited and its world class Balama Graphite and Vanadium Project in Mozambique.

Environmental regulation
The company previously held participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the Company's environmental conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2016.

Information on directors

Name:	Mr Tom Eadie
Title:	Non-Executive Chairman
Qualifications:	B.Sc (Hons). M.Sc., F.AusIMM, SA Fin
Experience and expertise:	Tom Eadie has been executive chairman of the company since its inception in 2004, and was recently appointed a non-executive chairman in June 2014. Prior to this role, Tom had twenty years experience within the junior resources sector, including one year running Austminex NL, and at technical to senior Executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco, he was Executive General Manager - Exploration & Technology for 11 years. At Aberfoyle, he began as Chief Geophysicist before being put in charge of all mineral sands and base metal exploration. He is a past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association. Tom has a B.Sc. (Hons) from the University of British Columbia, a M.Sc. in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia).
Other current directorships:	Strandline Resources Limited (ASX: STA) (appointed 9 October 2015)
Former directorships (last 3 years):	Syrah Resources Limited (ASX: SYR) (resigned 2 October 2014)
Special responsibilities:	None
Interests in shares:	2,981,714 fully paid ordinary shares

Name:	Mr Brendan Jesser
Title:	Non-Executive Director
Experience and expertise:	Brendan has over 16 years' experience in direct financial markets, stockbroking and corporate advisory, and has supported numerous listed and unlisted mining and industrial entities by providing both capital and corporate advisory services.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	400,000 fully paid ordinary shares

Name:	Mr Mark Hanlon
Title:	Non-Executive Director
Experience and expertise:	Mark has over ten years of experience in the resources and resource services sector as well as over ten years' experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of ENK plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited. Mark is currently a Director of Rusina Mining NL, Jacana Minerals Limited and Company Secretary of VU Group Pty Ltd. He holds a Bachelor of Business in Finance and Accounting and a Master of Business in Banking and Finance.
Other current directorships:	Red River Resources Limited (ASX: RVR) (appointed 1 October 2015)
Former directorships (last 3 years):	Strandline Resources Limited (ASX: STA) (resigned 1 March 2016)
Special responsibilities:	None
Interests in shares:	2,013,567 fully paid ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Company secretary
Melanie Leydin is the company secretary and has 24 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange. She is a Chartered Accountant and is a Registered Company Auditor. She Graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer, and Director of Leydin Freyer Corp Pty Ltd, specialising in outsourced company secretarial and financial duties for resources and biotechnology sectors.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Tom Eadie	5	5
Mr Brendan Jesser	5	5
Mr Mark Hanlon	5	5

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

Executive remuneration
The company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the company and adds additional value to the executive.

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

The long-term incentives ('LTI') includes long service leave.

Company performance and link to remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The achievement of this aim has been through the issue of options to directors and executives to encourage alignment of personal and shareholder interests. The options provide an incentive to the recipients to remain with the Company and continue to work to enhance the company's value.

Employee share option plan

Copper Strike Limited operates an ownership-based scheme for executives and senior employees of the company. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase parcels of ordinary shares at an exercise price determined by the Board. Each employee share option converts into one ordinary share of Copper Strike Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is determined by the Board.

The purpose of the plan is to provide eligible employees with an incentive to remain with the company and to improve the longer term performance of the company and its return to shareholders. It is intended that the plan will enable the company to retain and attract skilled and experienced employees and provide them with the motivation to make the company more successful.

As at 30 June 2016 there were no options currently on issue under the plan.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
The company received 98% of 'for' votes in relation to its remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the company are set out in the following tables.

Rounding of amounts
Copper Strike Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2016	Cash salary and fees $	Bonus $	Annual leave $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr B Jesser	30,000	-	-	2,850	-	-	32,850
Mr M Hanlon	30,000	-	-	2,850	-	-	32,850
Mr T Eadie	45,000	-	-	4,275	-	-	49,275
Other Key Management Personnel:							
Ms M Leydin *	64,000	-	-	-	-	-	64,000
	169,000	-	-	9,975	-	-	178,975

* Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting services.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Mr B Jesser	30,000	-	-	2,850	-	-	32,850
Mr M Hanlon	30,000	-	-	2,850	-	-	32,850
Mr T Eadie	45,000	-	13,562	4,275	46,857	-	109,694
Other Key Management Personnel:							
Ms M Leydin *	84,000	-	-	-	-	-	84,000
	189,000	-	13,562	9,975	46,857	-	259,394

* Fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting services.

Service agreements
Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Additional information
The earnings of the company for the five years to 30 June 2016 are summarised below:

	2016 $	2015 $	2014 $	2013 $	2012 $
Revenue and other income	593,527	196,240	101,013	186,690	1,947,451
Net profit/(loss) before tax	238,230	(191,256)	(1,492,908)	(418,965)	854,302
Net profit/(loss) after tax	166,636	(135,904)	(1,045,115)	(256,376)	2,065,697

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2016	2015	2014	2013	2012
Share price at financial year start ($)	0.23	0.26	0.15	0.22	0.12
Share price at financial year end ($)	0.31	0.23	0.26	0.15	0.22
Basic earnings per share (cents per share)	0.16	(0.13)	(0.98)	(0.24)	1.76

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr T Eadie	2,981,714	-	-	-	2,981,714
Mr B Jesser	400,000	-	-	-	400,000
Mr M Hanlon	2,013,567	-	-	-	2,013,567
	5,395,281	-	-	-	5,395,281

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers
The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd
There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

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 immediately after this directors' report.

Auditor
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

E T Eadie
Non-Executive Chairman

9 August 2016
Melbourne

Grant Thornton

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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 audit of Copper Strike Limited for the year ended 30 June 2016, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M. A Cunningham
Partner - Audit & Assurance

Melbourne, 9 August 2016

Copper Strike Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	5	14,579	17,983
Other income	6	578,948	178,257
Expenses			
Net fair value loss on other financial assets	7	(56,284)	-
Administration expenses	8	(102,665)	(191,142)
Exploration expenses written off		-	(1,240)
Employee benefits expense		(178,748)	(195,114)
Impairment of assets		(17,600)	-
Profit/(loss) before income tax (expense)/benefit		238,230	(191,256)
Income tax (expense)/benefit	9	(71,594)	55,352
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Copper Strike Limited		166,636	(135,904)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain/(Loss) on the revaluation of available-for-sale financial assets, net of tax		17,148,273	(3,080,905)
Other comprehensive income for the year, net of tax		17,148,273	(3,080,905)
Total comprehensive income for the year attributable to the owners of Copper Strike Limited		17,314,909	(3,216,809)
		Cents	**Cents**
Basic earnings per share	29	0.16	(0.13)
Diluted earnings per share	29	0.16	(0.13)

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

Copper Strike Limited
Statement of financial position
As at 30 June 2016

	Note	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	10	800,995	503,220
Trade and other receivables	11	9,787	7,680
Other	12	1,404	1,526
Total current assets		812,186	512,426
Non-current assets			
Available-for-sale financial assets	13	65,753,978	41,329,619
Deferred tax	14	1,835,824	1,940,626
Other non-current assets	15	18,434	18,008
Total non-current assets		67,608,236	43,288,253
Total assets		68,420,422	43,800,679
Liabilities			
Current liabilities			
Trade and other payables	16	26,217	38,143
Total current liabilities		26,217	38,143
Non-current liabilities			
Deferred tax	17	19,485,366	12,168,606
Total non-current liabilities		19,485,366	12,168,606
Total liabilities		19,511,583	12,206,749
Net assets		48,908,839	31,593,930
Equity			
Issued capital	18	11,221,853	11,221,853
Reserves	19	44,135,184	26,986,911
Accumulated losses		(6,448,198)	(6,614,834)
Total equity		48,908,839	31,593,930

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 year ended 30 June 2016

	Contributed equity $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2014	11,221,853	30,067,816	(6,484,441)	34,805,228
Loss after income tax benefit for the year	-	-	(135,904)	(135,904)
Other comprehensive income for the year, net of tax	-	(3,080,905)	-	(3,080,905)
Total comprehensive income for the year	-	(3,080,905)	(135,904)	(3,216,809)
Transactions with owners in their capacity as owners:				
Deregistration of Sherwood Ventures Pty Ltd	-	-	5,511	5,511
Balance at 30 June 2015	11,221,853	26,986,911	(6,614,834)	31,593,930

	Contributed equity $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2015	11,221,853	26,986,911	(6,614,834)	31,593,930
Profit after income tax expense for the year	-	-	166,636	166,636
Other comprehensive income for the year, net of tax	-	17,148,273	-	17,148,273
Total comprehensive income for the year	-	17,148,273	166,636	17,314,909
Balance at 30 June 2016	11,221,853	44,135,184	(6,448,198)	48,908,839

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 year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(288,837)	(737,207)
Interest received		7,664	18,147
Net cash used in operating activities	28	(281,173)	(719,060)
Cash flows from investing activities			
Payments for exploration and evaluation		-	(1,240)
Proceeds from renouncement of entitlement rights		578,948	13,257
Net cash from investing activities		578,948	12,017
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		297,775	(707,043)
Cash and cash equivalents at the beginning of the financial year		503,220	1,210,263
Cash and cash equivalents at the end of the financial year	10	800,995	503,220

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

Note 1. General information

The financial statements cover Copper Strike Limited as an individual entity. The financial statements are presented in Australian dollars, which is Copper Strike Limited's functional and presentation currency.

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:

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 August 2016. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The company 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.

None of these Accounting Standards and Interpretations had a material effect.

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

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements 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 3.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Note 2. Significant accounting policies (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

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.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
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 the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Copper Strike Limited, 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 financial year.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the company.

Rounding of amounts
Copper Strike Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments

The Company operated predominately as an explorer for base precious metals within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of mineral exploration within Australia and managing its investment in Syrah Resources Limited.

Note 5. Revenue

	2016 $	2015 $
Interest revenue - bank deposits	14,579	17,983

Note 6. Other income

	2016 $	2015 $
Net fair value gain on other financial assets	-	165,000
Net gain on disposal of property, plant and equipment	-	13,257
Renouncement of rights	578,948	-
Other income	578,948	178,257

The amount of $578,948 recognised during the financial year relates to the renouncement of the company's rights to participate in the Syrah Resources Limited rights issue.

The amount of $165,000 recognised in the prior period relates to the initial gain on recognising the value of Copper Strike receiving 3,300,301 fully paid ordinary shares in Jacana Minerals Limited, an unlisted Company, which was acquired as part of the Demerger of Jacana Minerals Limited from Syrah Resources Limited in October 2014.

Note 7. Net fair value loss on other financial assets

	2016 $	2015 $
Net fair value loss on other financial assets	56,284	-

The amount of $56,284 recognised in the current period relates to the initial loss on recognising the value of Copper Strike receiving 13,589,570 fully paid ordinary shares in Strandline Resources Limited (ASX: STA). These shares were acquired during the financial year due to Copper Strike holding ordinary shares in Jacana Minerals Limited (an unlisted public Company). Jacana completed a transaction with STA in which STA acquired Jacana's 100% owned subsidiary Jacana Resources (Tanzania) Limited. As part of this transaction, Jacana shareholders received fully paid ordinary shares in Strandline Resources Limited.

Note 8. Expenses

	2016 $	2015 $
Profit/(loss) before income tax includes the following specific expenses:		
Impairment		
Financial assets	(17,600)	-
Charges to provisions		
Employee entitlements	-	(7,062)
Superannuation expense		
Defined contribution superannuation expense	(9,975)	(9,975)
Exploration costs written off	-	(1,240)

The amount of $17,600 impairment expenses relates to the investment of shares in West African Gold.

Note 9. Income tax expense/(benefit)

	2016 $	2015 $
Income tax expense/(benefit)		
Current tax	-	(224,927)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	71,594	169,575
Aggregate income tax expense/(benefit)	71,594	(55,352)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	238,230	(191,256)
Tax at the statutory tax rate of 30%	71,469	(57,377)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	125	2,025
Income tax expense/(benefit)	71,594	(55,352)

Deferred tax balances were recognised for the first time in the year ended 30 June 2012 due to the likely capital gains tax payable in relation to the Company's investment in Syrah Resources Limited (ASX Code: SYR). The deferred tax balances continue to be recognised as at 30 June 2016.

During the financial year ended 30 June 2016 the Company recorded a revaluation increment on the investment of $24,498,243 (30 June 2015: revaluation decrement of $4,402,002).

As at 30 June 2016, there was unrealised capital losses of $58,369 and unrealised capital gains of $64,944,505. The capital gains tax payable on the disposal of all the assets after applying the capital losses would be $19,485,366 (30 June 2015: $12,168,606) and a deferred tax liability therefore has been recognised.

A deferred tax asset of $1,835,824 (30 June 2015: $1,940,626), predominantly made up of $1,809,179 in tax losses has also been recognised.

The tax effect of any movements to the revaluation reserve are recognised directly against the reserve. All other movements are recognised through the profit and loss via income tax expense. The income tax expense for the year representing current and deferred tax adjustments is $71,594 (2015: $55,352).

Note 10. Current assets - cash and cash equivalents

	2016 $	2015 $
Cash at bank	667,259	371,582
Cash on deposit	133,736	131,638
	800,995	503,220

Note 11. Current assets - trade and other receivables

	2016 $	2015 $
Trade receivables	-	3,119
Other receivables	6,714	244
GST receivable	3,073	4,317
	9,787	7,680

No receivables have been impaired or provided for as at 30 June 2016.

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $nil as at 30 June 2016 ($3,119 as at 30 June 2015).

The company did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

	2016 $	2015 $
Over 6 months overdue	-	3,119

Note 12. Current assets - other

	2016 $	2015 $
Prepayments	1,404	1,526

Note 13. Non-current assets - available-for-sale financial assets

	2016 $	2015 $
Ordinary shares in Strandline Resources Limited	67,948	-
Ordinary shares in Syrah Resources Limited	65,670,030	41,140,019
Ordinary shares in Superior Resources Limited	16,000	7,000
Ordinary shares in West African Gold Limited	-	17,600
Ordinary shares in Jacana Minerals Limited	-	165,000
	65,753,978	41,329,619

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2016 $	2015 $
Opening fair value	41,329,619	45,549,021
Initial gain/(loss) on recognition	(56,284)	182,600
Revaluation increments/(decrements)	24,498,243	(4,402,002)
Impairment of assets	(17,600)	-
Closing fair value	65,753,978	41,329,619

Note 13. Non-current assets - available-for-sale financial assets (continued)

Financial assets available for sale for Syrah Resources Limited, Superior Resources Limited and Strandline Resources Limited are ordinary shares in listed companies, and West African Gold Limited and Jacana Minerals Limited are ordinary shares in unlisted companies.

AASB 13 'Fair Value Measurement' requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note 14. Non-current assets - deferred tax

	2016 $	2015 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,809,179	1,932,287
Impairment of receivables	5,280	-
Exploration expenditure	3,239	3,239
Accrued expenses	5,895	5,100
	1,823,593	1,940,626
Amounts recognised in equity:		
Impairment	12,231	-
Deferred tax asset	1,835,824	1,940,626
Movements:		
Opening balance	1,940,626	1,838,703
Recognised in profit and loss	(116,537)	101,923
Prior year under/over provision	(496)	-
Recognised in equity	12,231	-
Closing balance	1,835,824	1,940,626

Refer to Note 8 for further information regarding the recognition of the above deferred tax asset.

Note 15. Non-current assets - Other non-current assets

	2016 $	2015 $
Deposits paid	18,434	18,008

Note 16. Current liabilities - trade and other payables

	2016 $	2015 $
Trade payables	26,217	38,143

Refer to note 21 for further information on financial instruments.

Note 17. Non-current liabilities - deferred tax

	2016 $	2015 $
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Interest receivable	2,014	-
Revaluation of available-for-sale financial assets	-	49,500
	2,014	49,500
Amounts recognised in equity:		
Investments	19,483,352	12,119,106
Deferred tax liability	19,485,366	12,168,606
Movements:		
Opening balance	12,168,606	13,443,131
Recognised in profit or loss	(44,943)	46,076
Recognised in equity (revaluation of available for sale assets)	7,361,703	(1,320,601)
Closing balance	19,485,366	12,168,606

Refer to Note 8 for further information regarding the recognition of the above deferred tax liability.

Note 18. Equity - issued capital

	2016 Shares	2015 Shares	2016 $	2015 $
Ordinary shares - fully paid	106,844,810	106,844,810	11,221,853	11,221,853

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 19. Equity - reserves

	2016 $	2015 $
Available-for-sale reserve	44,135,184	26,986,911

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Available-for-sale $	Total $
Balance at 1 July 2014	30,067,816	30,067,816
Revaluation of available for sale investments	(4,402,002)	(4,402,002)
Tax effect of revaluation of available for sale assets	1,321,097	1,321,097
Balance at 30 June 2015	26,986,911	26,986,911
Revaluation of available for sale investments	24,509,976	24,509,976
Tax effect of revaluation of available for sale assets	(7,361,703)	(7,361,703)
Balance at 30 June 2016	44,135,184	44,135,184

Note 20. Equity - dividends

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

Note 21. Financial instruments

Financial risk management objectives
The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Board. The policies employed to mitigate risk include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. The Board identifies risk and evaluates the effectiveness of its responses.

Market risk

Price risk
The Company is exposed to significant price risk in relation to its investment in Syrah Resources Limited.

2016	**% change**	**Average price increase Effect on profit before tax**	**Effect on equity**	**% change**	**Average price decrease Effect on profit before tax**	**Effect on equity**
Investment in ordinary shares	50%	-	32,876,989	50%	-	(32,876,989)

Note 21. Financial instruments (continued)

2015	% change	Average price increase Effect on profit before tax	Effect on equity	% change	Average price decrease Effect on profit before tax	Effect on equity
Investment in ordinary shares	35%	-	14,399,007	35%	-	(14,399,007)

Interest rate risk
The Company's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

	2016		2015	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Bank overdraft and bank loans	1.70%	800,995	1.10%	503,220
Net exposure to cash flow interest rate risk		800,995		503,220

Below is a sensitivity analysis of interest rates at a rate of 50 basis points on cash and cash equivalents for the 2016 financial year (2015: 50 basis points). The impact would not be material on bank balances held at 30 June 2015. The percentage change is based on expected volatility of interest rates using market data and analysis forecasts.

	Basis points increase			Basis points decrease		
2016	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	50	4,005	4,005	50	(4,005)	(4,005)

	Basis points increase			Basis points decrease		
2015	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	50	2,516	2,516	-	(2,516)	(2,516)

Credit risk
Credit risk is managed on a Company basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has minimal exposure to credit risk as its only receivables relate to security deposits, interest receivable, rent receivable, and GST refunds due.

Liquidity risk
Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's working capital, being current assets less current liabilities was $785,969 at 30 June 2016 (30 June 2015: $474,283). During the period the Company had net cash flows of $297,775 (30 June 2015: negative net cash flows of $707,043). Based on this the directors are satisfied that the Company will have sufficient funds to pay its debts as and when they fall due.

Note 21. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	26,217	-	-	-	26,217
Total non-derivatives		26,217	-	-	-	26,217

2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	38,143	-	-	-	38,143
Total non-derivatives		38,143	-	-	-	38,143

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Directors
The following persons were directors of Copper Strike Limited during the financial year:

Mr T Eadie
Mr B Jesser
Mr M Hanlon

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, during the financial year:

Ms M Leydin

Note 22. Key management personnel disclosures (continued)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2016 $	2015 $
Short-term employee benefits	169,000	189,000
Post-employment benefits	9,975	23,537
Long-term benefits	-	46,857
	178,975	259,394

The aggregate compensation includes fees paid to Leydin Freyer Corp Pty Ltd in respect of Company Secretarial and Accounting Services. Ms M Leydin is director and principal of that Company.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	2016 $	2015 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	28,545	29,000
Other services - Grant Thornton Audit Pty Ltd		
Tax advice	-	35,890
	28,545	64,890

Note 24. Contingent liabilities

	2016 $	2015 $
Bank guarantees	327,500	327,500

The above balance relates to an Indemnity Guarantee with ANZ as at 30 June 2016.

Note 25. Commitments

As at 30 June 2016 the Company does not have any commitments for expenditure on Exploration tenements.

Note 26. Related party transactions

Parent entity
Copper Strike Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Note 26. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	2016 $	2015 $
Other income:		
Rent received from Syrah Resources Limited (an entity formally related to Tom Eadie)	-	90,725

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Events after the reporting period

Since 30 June 2016, the fair value of the investment in Syrah Resources Limited (ASX Code: SYR) has decreased to $48,620,022 as at 8 August 2016. This is a decrease of $17,050,008 since 30 June 2016. The net assets of the Company have also decreased by approximately $11.8 million to approximately $37 million as at 8 August 2016, since 30 June 2016.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 28. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	2016 $	2015 $
Profit/(loss) after income tax (expense)/benefit for the year	166,636	(135,904)
Adjustments for:		
Impairment of investments	17,600	-
Exploration costs written off	-	1,240
Employee entitlements	-	(67,482)
Gain on renouncement of rights	(578,948)	-
Gain/(loss) on recognising financial assets	56,284	(165,000)
Tax effect on revaluation of available for sale assets taken to equity	(7,361,703)	1,320,601
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(2,108)	36,692
Decrease/(increase) in deferred tax assets	104,802	(101,923)
Decrease in prepayments	122	2,209
Decrease in trade and other payables	(618)	(334,968)
Increase/(decrease) in deferred tax liabilities	7,316,760	(1,274,525)
Net cash used in operating activities	(281,173)	(719,060)

Note 29. Earnings per share

	2016 $	2015 $
Profit/(loss) after income tax attributable to the owners of Copper Strike Limited	166,636	(135,904)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	106,844,810	106,844,810
Weighted average number of ordinary shares used in calculating diluted earnings per share	106,844,810	106,844,810
	Cents	**Cents**
Basic earnings per share	0.16	(0.13)
Diluted earnings per share	0.16	(0.13)

The Group does not currently have any options on issue, or other dilutive items as at 30 June 2016.

Copper Strike Limited
Directors' declaration
30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

E T Eadie
Non-Executive Chairman

9 August 2016
Melbourne

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

Report on the financial report

We have audited the accompanying financial report of Copper Strike Limited (the "Company"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of Copper Strike Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Copper Strike Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M. A Cunningham
Partner - Audit & Assurance

Melbourne, 9 August 2016

Copper Strike Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 2 August 2016.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	138
1,001 to 5,000	319
5,001 to 10,000	203
10,001 to 100,000	371
100,001 and over	90
	1,121
Holding less than a marketable parcel	159

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Gasmere Pty Ltd	21,362,888	19.99
Aurora Funds Mgnt Ltd (HHY A/C)	6,984,992	6.54
Hydronomees Pty Ltd (Hydro-Chem S/F A/C)	4,813,000	4.50
McCrohan Kevin Richard	4,220,338	3.95
A-Line Retmnt Fund Pty Ltd (A-Line Retmnt Fund)	3,000,000	2.81
Berden Pty Ltd (A-Line Partitions)	3,000,000	2.81
ACN 167 523 659 Pty Ltd (Thomas Eadie Super)	2,981,714	2.79
Prince Raymond John (R J Prince Retire)	2,975,000	2.78
Keybridge Cap Ltd	2,814,337	2.63
Briteview Pty Ltd	2,250,000	2.11
Borland David R + J A (Borland S/F A/C)	2,155,695	2.02
Feltrim Pastoral Co Pty Ltd (Staughton Exec S/F)	2,068,933	1.94
Buprestid Pty Ltd (Hanlon Family S/F A/C)	2,013,567	1.88
Borland Jacqueline Anne	1,998,215	1.87
Pershing Aust Nom Pty Ltd (Accum A/C)	1,982,476	1.86
HSBC Custody Nominees Australia Limited	1,965,771	1.84
ABN Amro Clearing Sydney (Cust A/C)	1,953,355	1.83
Feltrim Pastoral Co Pty Ltd (Simon Staughton FA)	1,760,000	1.65
Forge C L + H M (4G S/F A/C)	1,338,391	1.25
Marson Const Pty Ltd (Marson Retmnt Plan)	1,132,592	1.06
	72,771,264	68.11

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	**% of total shares issued**
Gasmere Pty Ltd	21,362,888	19.99
Aurora Funds Mgnt Ltd (HHY A/C)	6,984,992	6.54

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.