

Copper Strike Limited

ABN 16 108 398 983

Half-year Financial Report - 31 December 2014

Copper Strike Limited
Contents
31 December 2014

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Copper Strike Limited
Corporate directory
31 December 2014

Directors	Tom Eadie (Non-Executive Chairman) Brendan Jesser (Non-Executive Director) Mark Hanlon (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 9 356 Collins Street Melbourne Victoria 3000 Telephone: +61 3 9640 0955
Principal place of business	Level 9 356 Collins Street Melbourne Victoria 3000 Telephone: +61 3 9640 0955
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
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	www.copperstrike.com.au

Copper Strike Limited
Directors' report
31 December 2014

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 at the end of, or during, the half-year ended 31 December 2014.

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

Principal activities

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

- Exploration for minerals sands, and investment activities.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$17,774 (31 December 2013: \$599,147).

Financial Position

The net assets of the consolidated entity decreased by \$7,325,165 to \$27,480,063 as at 31 December 2014 (30 June 2014: \$34,805,228). The main reason for the decrease this financial year is due to the revaluation decrement of \$7,312,902 attributable to the value of financial assets held.

The consolidated entity's working capital, being current assets less current liabilities decreased by \$199,819 to \$642,808 (30 June 2014: \$842,627).

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
Non-Executive Chairman

16 March 2015
MELBOURNE

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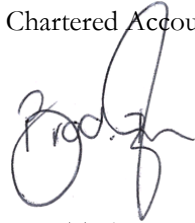
Auditor's Independence Declaration
To The Directors of Copper Strike Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Copper Strike Limited for the half-year ended 31 December 2014, 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, 16 March 2015

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Copper Strike Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

		Consolidated	
	Note	31 December 2014	31 December 2013
		\$	\$
Revenue	4	56,958	58,578
Other income	5	178,257	-
Expenses			
Administration costs		(162,690)	(180,882)
Exploration expenditure written off		(118)	(573,984)
Employee benefits expense		(95,138)	(159,187)
Depreciation and amortisation expense		-	(378)
Loss before income tax benefit		(22,731)	(855,853)
Income tax benefit		4,957	256,706
Loss after income tax benefit for the half-year attributable to the owners of Copper Strike Limited		(17,774)	(599,147)
Other comprehensive income			
<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		-	8,148,004
Loss on the revaluation of available-for-sale financial assets, net of tax		(7,312,902)	-
Other comprehensive income for the half-year, net of tax		(7,312,902)	8,148,004
Total comprehensive income for the half-year attributable to the owners of Copper Strike Limited		<u>(7,330,676)</u>	<u>7,548,857</u>
		Cents	Cents
Basic earnings per share		(0.02)	(0.56)
Diluted earnings per share		(0.02)	(0.56)

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 31 December 2014

		Consolidated	
	Note	31 December 2014 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents		757,650	1,210,263
Trade and other receivables		23,333	44,372
Other		19,428	3,735
Total current assets		<u>800,411</u>	<u>1,258,370</u>
Non-current assets			
Available-for-sale financial assets	6	35,284,616	45,549,021
Deferred tax	7	1,890,231	1,838,703
Other		18,008	18,008
Total non-current assets		<u>37,192,855</u>	<u>47,405,732</u>
Total assets		<u>37,993,266</u>	<u>48,664,102</u>
Liabilities			
Current liabilities			
Trade and other payables		157,603	348,261
Employee benefits		-	67,482
Total current liabilities		<u>157,603</u>	<u>415,743</u>
Non-current liabilities			
Deferred tax	8	10,355,600	13,443,131
Total non-current liabilities		<u>10,355,600</u>	<u>13,443,131</u>
Total liabilities		<u>10,513,203</u>	<u>13,858,874</u>
Net assets		<u>27,480,063</u>	<u>34,805,228</u>
Equity			
Issued capital		11,221,853	11,221,853
Reserves	9	22,754,914	30,067,816
Accumulated losses		(6,496,704)	(6,484,441)
Total equity		<u>27,480,063</u>	<u>34,805,228</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 2014

Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2013	11,221,853	(5,439,326)	13,912,507	19,695,034
Loss after income tax benefit for the half-year	-	(599,147)	-	(599,147)
Other comprehensive income for the half-year, net of tax	-	-	8,148,004	8,148,004
Total comprehensive income for the half-year	-	(599,147)	8,148,004	7,548,857
Balance at 31 December 2013	<u>11,221,853</u>	<u>(6,038,473)</u>	<u>22,060,511</u>	<u>27,243,891</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2014	11,221,853	(6,484,441)	30,067,816	34,805,228
Loss after income tax benefit for the half-year	-	(17,774)	-	(17,774)
Other comprehensive income for the half-year, net of tax	-	-	(7,312,902)	(7,312,902)
Total comprehensive income for the half-year	-	(17,774)	(7,312,902)	(7,330,676)
<i>Transactions with owners in their capacity as owners:</i>				
Deregistration of Sherwood Ventures Pty Ltd	-	5,511	-	5,511
Balance at 31 December 2014	<u>11,221,853</u>	<u>(6,496,704)</u>	<u>22,754,914</u>	<u>27,480,063</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 2014

	Consolidated	
	31 December	31 December
	2014	2013
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(478,010)	(380,772)
Interest received	12,258	27,178
Other revenue	-	29,422
	<u>(465,752)</u>	<u>(324,172)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(118)	(128,432)
Proceeds from sale of property, plant and equipment	13,257	-
	<u>13,139</u>	<u>(128,432)</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(452,613)	(452,604)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,210,263</u>	<u>1,970,774</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>757,650</u></u>	<u><u>1,518,170</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 2014

Note 1. General information

The financial statements cover Copper Strike Limited as a consolidated entity consisting of Copper Strike Limited and the entities it controlled at the end of, or during, the half-year. 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:

Level 9
356 Collins Street
Melbourne Victoria 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 statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2015. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 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 2014 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, unless otherwise stated.

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.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

Copper Strike Limited
Notes to the financial statements
31 December 2014

Note 3. Operating segments

The consolidated entity is organised into one operating segment which consists of exploration for base and precious metals 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.

Note 4. Revenue

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Interest	14,150	22,556
Rent	42,808	33,521
Other revenue	-	2,501
	<hr/>	<hr/>
Revenue	<u>56,958</u>	<u>58,578</u>

Note 5. Other income

	Consolidated	
	31 December 2014	31 December 2013
	\$	\$
Net fair value gain on other financial assets	165,000	-
Net gain on disposal of property, plant and equipment	13,257	-
	<hr/>	<hr/>
Other income	<u>178,257</u>	<u>-</u>

The amount of \$165,000 recognised in the current 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.

Copper Strike Limited
Notes to the financial statements
31 December 2014

Note 6. Non-current assets - available-for-sale financial assets

	Consolidated	
	31 December	30 June
	2014	2014
	\$	\$
Ordinary shares in Syrah Resources Limited	35,090,016	45,540,021
Ordinary shares in Superior Resources Limited	12,000	9,000
Ordinary shares in West African Gold Limited	17,600	-
Ordinary shares in Jacana Minerals Limited	165,000	-
	<u>35,284,616</u>	<u>45,549,021</u>

Reconciliation

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

Opening fair value	45,549,021	22,470,010
Initial gain on recognition	182,600	-
Revaluation increments	3,000	23,079,011
Revaluation decrements	(10,450,005)	-
Closing fair value	<u>35,284,616</u>	<u>45,549,021</u>

Financial assets available for sale for Syrah Resources Limited and Superior 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).

The Group's financial assets are all valued using Level 1, being quoted prices from the ASX. The fair value method is unchanged from the previous reporting period.

Note 7. Non-current assets - deferred tax

	Consolidated	
	31 December	30 June
	2014	2014
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses	1,873,568	1,706,865
Employee benefits	1,555	22,239
Exploration expenditure	3,239	3,239
Accrued expenses	3,300	89,222
Capital raising costs	8,569	17,138
Deferred tax asset	<u>1,890,231</u>	<u>1,838,703</u>

Copper Strike Limited
Notes to the financial statements
31 December 2014

Note 8. Non-current liabilities - deferred tax

	Consolidated	Consolidated
	31 December	30 June
	2014	2014
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Revaluation of available-for-sale financial assets	49,500	-
Interest receivable	495	-
	<u>49,995</u>	<u>-</u>
Amounts recognised in equity:		
Interest receivable	-	3,424
Investments	10,305,605	13,439,707
	<u>10,305,605</u>	<u>13,443,131</u>
Deferred tax liability	<u>10,355,600</u>	<u>13,443,131</u>

Note 9. Equity - reserves

	Consolidated	Consolidated
	31 December	30 June
	2014	2014
	\$	\$
Available-for-sale reserve	<u>22,754,914</u>	<u>30,067,816</u>

Available-for-sale reserve

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

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Available- for-sale \$	Total \$
Balance at 1 July 2014	30,067,816	30,067,816
Revaluation of available for sale investments	<u>(7,312,902)</u>	<u>(7,312,902)</u>
Balance at 31 December 2014	<u>22,754,914</u>	<u>22,754,914</u>

Note 10. Equity - dividends

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

Note 11. Contingent liabilities

There were no contingent liabilities at 31 December 2014 and 30 June 2014.

Note 12. Commitments

The consolidated entity has no commitments at 31 December 2014.

Copper Strike Limited
Notes to the financial statements
31 December 2014

Note 13. Interests in 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:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2014 %	30 June 2014 %
Sherwood Ventures Pty Ltd	Australia	-%	100.00%

On 25 July 2014, Sherwood Ventures Pty Ltd, Copper Strike's wholly owned subsidiary was voluntary de-registered and is no longer part of the Copper Strike Group as at 31 December 2014.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2014 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
31 December 2014

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 2014 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)(a) of the Corporations Act 2001.

On behalf of the directors



Ernest Thomas Eadie
Non-Executive Chairman

16 March 2015
MELBOURNE

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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 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 controls 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 2014 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.

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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.

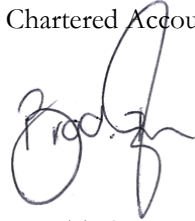
Conclusion

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 2014 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, 16 March 2015