



ASX Release  
20 October 2017

ASX Code  
CSE

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## QUARTERLY REPORT ON ACTIVITIES July to September 2017

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### Overview

During the Quarter Copper Strike Limited ('Copper Strike' or 'the Company') continued to hold its investment in Syrah Resources Limited (ASX: SYR) as that company progresses with construction at its Balama graphite project.

The Company's operating costs continue to be tightly controlled, with low ongoing expenditure.

Copper Strike currently has no exploration interests.

### Syrah Shareholding

As at 30 September 2017 Copper Strike owned 11 million shares in Syrah Resources Limited.

#### Syrah Highlights during the September 2017 quarter

- Syrah continued to make good progress with construction at its Balama graphite project. Commissioning activities for the front end (crusher, primary mill, thickener, tails disposal) has been completed as has all required infrastructure.
- First saleable product is expected during the current month while customer deliveries will ramp up from November 2017.
- During September Syrah announced a fully underwritten capital raising of approximately AUD \$ 110 million by way of an institutional placement and a pro rata accelerated non-renounceable entitlement offer.

Subsequent to the end of the quarter, Copper Strike took up 100% of its retail entitlement in the Syrah Resources pro-rata accelerated Non-Renounceable Entitlement Offer. The entitlement was 1,047,619 new shares.

In order to fund the entitlement, the Company entered into a Loan Agreement whereby the Company received an initial advance of \$3.55million with the loan secured by the provision of 1,800,000 Syrah shares. A further advance of

approximately \$572,000 was received which covers payment of interest and fees for the term of the loan.

Currently the Company owns 12.05 million shares in Syrah Resources Limited (including the 1,800,000 secured shares).

Copper Strike believes that the share price of Syrah has considerable potential upside, and as such this decision has been made in line with the Directors view that it is in the best interests of the Company to increase this investment supported by a moderate amount of gearing.

### **Administration**

Expenditure for the Quarter was \$80,000. As of 30 September 2017 Copper Strike had approximately \$435,000 in the bank. Expenditure going forward is expected to be approximately \$50,000 per Quarter, excluding interest and one off items. In the December 2017 quarter there will be a once off Origination fee payment in relation to the Loan Agreement.

### **Corporate Details**

***Issued Capital*** 106,844,810 shares

***Share Price*** \$0.305 (19 October 2017)

#### ***Directors and Management***

Mr Mark Hanlon – Non Executive Chairman

Mr Brendan Jesser – Non Executive Director

Mr Harry Hatch – Non Executive Director

Ms Melanie Leydin – Company Secretary

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

COPPER STRIKE LIMITED

### ABN

16 108 398 983

### Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(80)	(80)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(79)</b>	<b>(79)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Security Deposit refund	3	3
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>3</b>	<b>3</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	511	511
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(79)	(79)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>435</b>	<b>435</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	285	225
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other – Bank term deposits	150	286
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>435</b>	<b>511</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
15
-

Salaries and Superannuation paid to director related entities during the September 2017 quarter.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

Nil

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Nil

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	160
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>160</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Company secretary)

Date: 20 October 2017

Print name: Melanie Leydin

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.