



COPPER STRIKE LIMITED

ABN 16 108 398 983

**HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

Copper Strike Limited
Contents
31 December 2019



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Directors	Mr Tim Staermose (Non-Executive Chairman) Mr Brendan Jesser (Non-Executive Director) Mr Tolga Kumova (Non-Executive Director)
Company secretary	Stefan Ross
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	Automic Group Level 2 267 St Georges Terrace PERTH WA 6000 Telephone: 1300 288 664
Auditor	Grant Thornton Audit Pty Ltd Chartered Accountants Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Copper Strike Limited securities are listed on the Australian Securities Exchange (ASX code: CSE)
Website	www.copperstrike.com.au

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 2019.

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 Tim Staermose (Non-Executive Chairman) (appointed 2 January 2020)
Mr Brendan Jesser (Non-Executive Director)
Mr Tolga Kumova (Non-Executive Director) (appointed 2 January 2020)
Mr Harry Hatch (Non-Executive Director) (resigned 2 January 2020)
Mr Mark Hanlon (Non-Executive Chairman) (resigned 20 January 2020)

Principal activities

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

- Reviewing potential exploration and development resource acquisitions and management of the Company's investments.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$128,987 (31 December 2018: loss of \$160,687).

Financial Position

The net assets of the consolidated entity decreased by \$3,226,026 to \$5,284,475 as at 31 December 2019 (30 June 2019: \$8,510,501). The main reason for the decrease was the revaluation decrement of \$4,449,106 attributable to the value of financial assets held.

The consolidated entity's working capital, being current assets less current liabilities increased to \$207,069 (30 June 2019: deficiency of \$1,723,174), due to the loan disposal of \$3.95 million during the half-year.

As at 31 December 2019 Copper Strike owns approximately 9.14 million shares in Syrah Resources Limited.

Copper Strike believes that the share price of Syrah continues to have considerable long-term potential upside. 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.

The Board continues to review opportunities in the mining space and will opportunistically seek to acquire additional investments that the Directors believe have considerable upside potential and are in the best interests of the Company and all its shareholders.

The Company announced on 18 December 2019 that it had filed a report with ASIC to enable ASIC to conduct any inquiries that it sees fit in relation to the Tracing Notice response matter. Refer to the announcement on 18 December 2019 for further details.

Significant changes in the state of affairs

On 4 July 2019, the Company announced that it had taken up 100% of its retail entitlement in the Syrah Resources pro-rata accelerated non-renounceable Entitlement Offer.

The entitlement taken up was 2,219,999 New Shares at an offer price of A\$0.81 per New Share, resulting in an application amount of approximately A\$1.8 million.

The Company funded the take-up of this entitlement by utilising the proceeds from the New Loan as announced on 29 March 2019.

On 29 August 2019, the Company announced that it had terminated the New Loan Agreement announced on 29 March 2019. The New Loan Agreement had been terminated earlier than the original 3-year term at the Company's option and on a non-recourse basis. Cessation of the \$3.95 million loan had occurred by the Lender taking possession of 4,178,630 Syrah shares held as security, hence leaving no obligation outstanding.

Following termination of the Loan, Copper Strike currently owns 9.14 million shares in Syrah Resources Limited, which is a holding of 2.21%. The Company also holds additional listed and unlisted investments.

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

Matters subsequent to the end of the financial half-year

On 3 January 2020, the company announced the appointment of Tim Staermose and Tolga Kumova as directors of the Company and the resignation of Mr Harry Hatch as a director of the Company.

On 21 January 2020, the company announced the resignation of Mr Mark Hanlon as Director of the Company. Also on this day, the company announced the appointment of Mr Tim Staermose as Chairman of the company.

Since 31 December 2019, the fair value of the investment in Syrah Resources Limited (ASX Code: SYR) has decreased to \$2,970,945 as at 9 March 2020. This is a decrease of approximately \$1,325,498.

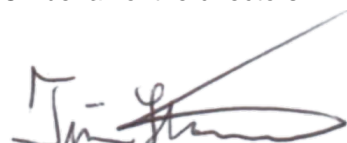
No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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.

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

A handwritten signature in dark ink, appearing to read "Tim Staermose", written over a horizontal line.

Mr Tim Staermose
Non-Executive Chairman

10 March 2020
MELBOURNE

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 2019, 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



M A Cunningham
Partner – Audit & Assurance

Melbourne, 10 March 2020

Copper Strike Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Revenue			
Other income	4	1,037,809	-
Interest revenue calculated using the effective interest method		8,275	2,258
Expenses			
Administration costs		(51,752)	(89,197)
Employee benefits expense		(80,187)	(79,275)
Finance costs		(26,887)	(63,197)
Profit/(loss) before income tax (expense)/benefit		887,258	(229,411)
Income tax (expense)/benefit		(758,271)	68,724
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of Copper Strike Limited		128,987	(160,687)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(3,355,013)	(11,743,349)
Other comprehensive loss for the half-year, net of tax		(3,355,013)	(11,743,349)
Total comprehensive loss for the half-year attributable to the owners of Copper Strike Limited		<u>(3,226,026)</u>	<u>(11,904,036)</u>
		Cents	Cents
Basic earnings per share	15	0.12	(0.15)
Diluted earnings per share	15	0.12	(0.15)

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 2019



		Consolidated	
		31 December	
	Note	2019	30 June 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		194,323	2,207,559
Trade and other receivables		4,233	3,726
Other		37,256	2,340
Total current assets		<u>235,812</u>	<u>2,213,625</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	5	4,539,259	10,031,635
Financial assets at fair value through profit and loss	6	535,470	535,185
Deferred tax	7	223,911	1,874,448
Other		2,677	2,679
Total non-current assets		<u>5,301,317</u>	<u>12,443,947</u>
Total assets		<u>5,537,129</u>	<u>14,657,572</u>
Liabilities			
Current liabilities			
Trade and other payables		28,743	73,994
Borrowings	8	-	3,862,805
Total current liabilities		<u>28,743</u>	<u>3,936,799</u>
Non-current liabilities			
Deferred tax	9	223,911	2,210,272
Total non-current liabilities		<u>223,911</u>	<u>2,210,272</u>
Total liabilities		<u>252,654</u>	<u>6,147,071</u>
Net assets		<u>5,284,475</u>	<u>8,510,501</u>
Equity			
Issued capital		11,221,853	11,221,853
Reserves	10	504,960	3,859,973
Accumulated losses		(6,442,338)	(6,571,325)
Total equity		<u>5,284,475</u>	<u>8,510,501</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 2019



Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2018	11,221,853	(6,912,302)	20,143,761	24,453,312
Loss after income tax benefit for the half-year	-	(160,687)	-	(160,687)
Other comprehensive loss for the half-year, net of tax	-	-	(11,743,349)	(11,743,349)
Total comprehensive loss for the half-year	-	(160,687)	(11,743,349)	(11,904,036)
Balance at 31 December 2018	<u>11,221,853</u>	<u>(7,072,989)</u>	<u>8,400,412</u>	<u>12,549,276</u>
Consolidated	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2019	11,221,853	(6,571,325)	3,859,973	8,510,501
Profit after income tax expense for the half-year	-	128,987	-	128,987
Other comprehensive loss for the half-year, net of tax	-	-	(3,355,013)	(3,355,013)
Total comprehensive income/(loss) for the half-year	-	128,987	(3,355,013)	(3,226,026)
Balance at 31 December 2019	<u>11,221,853</u>	<u>(6,442,338)</u>	<u>504,960</u>	<u>5,284,475</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 2019



	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(191,212)	(185,420)
Interest received	1,025	2,258
Dividend received	7,250	-
	<u>(182,937)</u>	<u>(183,162)</u>
Cash flows from investing activities		
Purchase of additional shares in Syrah Resources Limited	(1,798,199)	-
	<u>(1,798,199)</u>	<u>-</u>
Cash flows from financing activities		
Interest paid	(32,100)	(63,197)
	<u>(32,100)</u>	<u>(63,197)</u>
Net decrease in cash and cash equivalents	(2,013,236)	(246,359)
Cash and cash equivalents at the beginning of the financial half-year	<u>2,207,559</u>	<u>714,848</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>194,323</u></u>	<u><u>468,489</u></u>

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 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 4
100 Albert Road
South Melbourne Victoria 3205

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 10 March 2020. 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 2019 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 2019 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 or amended Accounting Standards and Interpretations adopted

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

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.

Note 2. Significant accounting policies (continued)

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

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company has adopted this standard from 1 July 2019 with no material impact as no leases are currently held by the company.

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 period ended 31 December 2019.

Going concern

The Company has net operating cash outflows of \$182,937 and a cash balance of \$194,323 as at 31 December 2019. The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the consolidated entity. The directors are confident that sufficient funds can be secured if required by a combination of capital raising and sale of financial assets to enable the consolidated entity to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

The Company has the option to liquidate its listed investments if there are insufficient funds being generated. As at 31 December 2019 the Company's investment in Syrah Resources Limited was carried at the market rate \$4,296,443 (30 June 2019: \$9,768,000).

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. Other income

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Net foreign exchange gain	285	-
Gain on settlement of loan	1,037,524	-
Other income	<u>1,037,809</u>	<u>-</u>

During the year, the Company refinanced a non-recourse loan by settling shares held as security. The above gain was recognised in relation to the difference between the fair value of the loan, amounting to \$3,878,992 and the shares disposed of, with a fair value on disposal of \$2,841,468.

Note 5. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Ordinary shares in Strandline Resources Limited	237,816	257,635
Ordinary shares in Syrah Resources Limited	4,296,443	9,768,000
Ordinary shares in Superior Resources Limited	5,000	6,000
	<u>4,539,259</u>	<u>10,031,635</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	10,031,635	35,089,268
Additions	1,798,198	1,458,621
Revaluation increments/(decrements)	(4,449,106)	(23,262,554)
Disposal	(2,841,468)	(3,253,700)
Closing fair value	<u>4,539,259</u>	<u>10,031,635</u>

Financial assets at fair value through other comprehensive income relate to Syrah Resources Limited, Superior Resources Limited and Strandline Resources Limited, which are ordinary shares in listed companies. These have been valued at the quoted prices at accordance with AASB 13, using Level 1 of the fair value hierarchy - quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 6. Non-current assets - Financial assets at fair value through profit and loss

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Investment in Think - Convertible Preference Shares	250,000	250,000
Investment in Verrecy - Convertible Note	285,470	285,185
	<u>535,470</u>	<u>535,185</u>

As at 31 December 2019, there were two investments under the level 3 category, one in convertible notes and the other in convertible preference shares, which represented approximately 11% of total financial assets.

The level 3 investments are carried at the fair value determined by the directors, which is equivalent to their acquisition cost.

The Directors considered the carrying value of the unlisted investments, but are unable to assess the fair value of these investments at a higher level due to unavailability of additional information. The Directors have consulted with management of the investment companies and considered information available to the Board. Given the nature of the unlisted investments, the Directors are unable to assess an alternative value of these investments using available market information as at the end of the reporting period. Accordingly, the Directors have continued to assess the fair value of the investments at its cost.

There was no evidence of any decline in fair value below cost.

Note 7. Non-current assets - deferred tax

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses	210,464	1,858,452
Allowance for expected credit losses	5,280	5,280
Exploration expenditure	3,239	3,239
Accrued expenses	4,928	7,477
Deferred tax asset	<u>223,911</u>	<u>1,874,448</u>
Movements:		
Opening balance	1,874,448	2,020,583
Recognised in profit and loss	(1,650,537)	(146,133)
Recognised in equity	-	(2)
Closing balance	<u>223,911</u>	<u>1,874,448</u>

Note 8. Current liabilities - borrowings

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Loan	-	3,862,805

On 29 August 2019, the Company announced that it had terminated the New Loan Agreement announced on 29 March 2019. The New Loan Agreement had been terminated earlier than the original 3-year term at the Company's option and on a non-recourse basis. Cessation of the \$3.95 million loan had occurred by the Lender taking possession of 4,178,630 Syrah shares held as security, hence leaving no obligation outstanding.

Note 9. Non-current liabilities - deferred tax

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in equity:		
Investments	223,911	2,210,272
Deferred tax liability	223,911	2,210,272
<i>Movements:</i>		
Opening balance	2,210,272	9,189,038
Recognised in equity (assets fair valued through other comprehensive income)	(1,986,361)	(6,978,766)
Closing balance	223,911	2,210,272

Note 10. Equity - reserves

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Financial assets at fair value through other comprehensive income reserve	504,960	3,859,973

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 10. Equity - reserves (continued)

Movements in reserves

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

	Fair value through other compre- hensive income \$	Total \$
Consolidated		
Balance at 1 July 2019	3,859,973	3,859,973
Revaluation of assets	(4,449,105)	(4,449,105)
Tax effect of revaluation of assets	1,094,092	1,094,092
Balance at 31 December 2019	<u>504,960</u>	<u>504,960</u>

Note 11. Equity - dividends

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

Note 12. Contingent liabilities

There has been no material change to the consolidated entity's contingent liabilities as at 31 December 2019.

Note 13. Commitments

The consolidated entity has no commitments at 31 December 2019.

Note 14. Events after the reporting period

On 3 January 2020, the company announced the appointment of Tim Staermose and Tolga Kumova as directors of the Company and the resignation of Mr Harry Hatch as a director of the Company.

On 21 January 2020, the company announced the resignation of Mr Mark Hanlon as Director of the Company. Also on this day, the company announced the appointment of Mr Tim Staermose as Chairman of the company.

Since 31 December 2019, the fair value of the investment in Syrah Resources Limited (ASX Code: SYR) has decreased to \$2,970,945 as at 9 March 2020. This is a decrease of approximately \$1,325,498.

No other matter or circumstance has arisen since 31 December 2019 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.

Note 15. Earnings per share

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Profit/(loss) after income tax attributable to the owners of Copper Strike Limited	<u>128,987</u>	<u>(160,687)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>106,844,810</u>	<u>106,844,810</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>106,844,810</u>	<u>106,844,810</u>
	Cents	Cents
Basic earnings per share	0.12	(0.15)
Diluted earnings per share	0.12	(0.15)

In the directors' opinion:

- the attached financial statements and notes 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 give a true and fair view of the consolidated entity's financial position as at 31 December 2019 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

A handwritten signature in dark ink, appearing to read "Tim Staermose", written over a horizontal line.

Mr Tim Staermose
Non-Executive Chairman

10 March 2020
MELBOURNE

Independent Auditor's Review Report

To the Members of Copper Strike Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Copper Strike Limited (the Company), which comprises the statement of financial position as at 31 December 2019, 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, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Copper Strike Limited does not give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with 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 Company's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Copper Strike Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 10 March 2020