



ASX Release
30 January 2015

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES October to December 2014

Highlights

- Class Ruling lodged with the ATO to provide certainty to shareholders with respect to a potential sale or distribution of Copper Strike's Syrah shares.

Overview

Further to the update provided by Copper Strike in its announcement on 30th October 2014 titled "Value of CSE's investments in SYR", and the update provided in its September 2014 quarterly activities report, the Company advises that the Class Ruling was lodged with the ATO in late 2014 and that it now awaits an outcome.

Grant Thornton has provided Copper Strike with taxation advice in relation to a number of aspects of its holding of the shares that it owns in Syrah Resources Limited, in particular the potential taxation consequences of a sale, as well as an in-specie distribution to the Company's shareholders of the Syrah shares. In either case, the disposal of the Syrah shares will constitute a Capital Gains Tax event for Copper Strike, and the consequences will vary depending on each shareholder's individual tax profile.

The Company believes that all investors should be given the opportunity to understand the possible taxation consequences of a potential future disposal of the Syrah shares by the Company in order to appropriately value the Company's shares.

In relation to the Class Ruling, Copper Strike requested an early engagement discussion with the ATO, with the view that it will make the Class Ruling process more efficient. Copper Strike continues to liaise with the ATO on the Class Ruling and will provide an update to shareholders in due course.

It should be noted that there are no plans to sell or otherwise dispose of the Syrah shares at this time.

Copper Strike currently has no exploration interests and is not currently pursuing any project generation work.

Administration

Expenditure for the Quarter was a high \$0.326 million because of certain one-off items totalling approximately \$215,000, and as of 31 December 2014 Copper Strike had approximately \$758,000 in the bank. Expenditure going forward is expected to be less than \$40,000 per month, which excludes possible further one off items.

Corporate Details

Issued Capital 106,844,810 shares

Share Price \$0.23 (29 January 2015)

Directors and Management

Mr Tom Eadie – Non Executive Chairman

Mr Brendan Jesser – Non Executive Director

Mr Mark Hanlon – Non Executive Director

Ms Melanie Leydin – Company Secretary

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COPPER STRIKE LIMITED

ABN

16 108 398 983

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A	Year to date (6 months) \$A
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(330,318)	(489,447)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4,646	23,671
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Rent received	-	-
Net Operating Cash Flows		(325,672)	(465,776)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects/farmins	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	13,257
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Deposits supporting guarantees	-	-
Net investing cash flows		-	13,257
1.13	Total operating and investing cash flows (carried forward)	(325,672)	(452,519)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(325,672)	(452,519)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Return of Capital to Shareholders	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(325,672)	(452,519)
1.20	Cash at beginning of quarter/year to date	1,083,321	1,210,168
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	757,649	757,649

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	\$225,639
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries and Superannuation paid to director related entities during the December 2014 quarter. It also includes a payment of \$173,588 to Tom Eadie in relation to the termination of his executive director contract in June 2014.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	210
Total	210

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	629	138
5.2 Deposits at call	-	816
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	129	129
Total: cash at end of quarter (item 1.22)	758	1,083

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

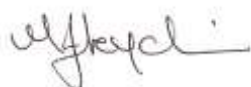
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	106,844,810	106,844,810	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -	- -	- -
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 30 January 2015

Company Secretary

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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