



31 January 2020

QUARTERLY REPORT ON ACTIVITIES October to December 2019

Overview

Copper Strike Limited ("**Copper Strike**" or the "**Company**") is pleased to provide an update on its activities for the quarter ending 31 December 2019.

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

Copper Strike currently has no exploration interests.

Corporate Activities

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

During the quarter, the Company announced that it had received a formal communication from Mr Kevin McCrohan under section 672B of the Corporations Act in response to a Tracing Notice request for information regarding the nature of the shareholding interest held by him in Copper Strike. Mr McCrohan is the registered holder of 12,962,410 shares representing a 12.13% shareholding interest in the Company.

The tracing notice response stated the 12,962,410 shares were purchased on the instructions of Mr Harry Hatch and were paid for by Gasmere Pty Ltd (an entity controlled by Mr Hatch). Gasmere Pty Ltd is, separately, the holder of 23,114,549 shares in Copper Strike representing a 21.63% shareholding interest in the Company.

The Company sought a response from Mr Hatch in relation to whether he confirms or refutes the statements made in the Tracing Notice response and whether he holds a relevant interest in Mr McCrohan's shares.

Despite multiple requests for such a response, no response was obtained.

Given the content of the Tracing Notice response, the Company filed a report with ASIC to enable ASIC to conduct any inquiries that it sees fit.

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.

Board Changes

Subsequent to the end of the December 2019 Quarter, on 3 January 2020, the Company announced changes to the Board of Directors, which included the appointment of Mr Tim Staermose and Mr Tolga Kumova as Directors of the Company, as well as the resignation of Mr Harry Hatch.

On 21 January 2020, the Company announced the resignation of Mr Mark Hanlon as a Director of the Company due to personal commitments and the appointment of Mr Staermose as Chairman of the Company.



Change of Share Registry

On 20 January 2020, it was announced that as of Monday, 20 January 2020 the Company's provider for registry services had changed from Securities Transfer Australia Pty Ltd to Automic Group.

The new share registry contact details are as follows:

Automic Group

Perth office:

Level 2
267 St Georges Terrace
PERTH WA 6000

Sydney office:

Level 5
126 Phillip Street
SYDNEY NSW 2000

All correspondence to:

GPO Box 5193
SYDNEY NSW 2001

Phone:

1300 288 664 (within Australia)
+61 (0) 2 9698 5414 (International)

Web: www.automicgroup.com.au

Syrah Shareholding

Key Points from Syrah Quarterly Activities Report – December 2019

- Total Recordable Injury Frequency Rate (TRIFR) of 0.6 as at the end of the quarter.
- Production of 15kt flake graphite during the quarter (September quarter: 45kt). Production was deliberately scaled back for Q4 2019 in response to the sudden and material reduction in prices observed in Q3 2019.
- A companywide restructure was initiated during the quarter in conjunction with the moderation of production. Restructure on track to achieve target of 20% to 25% cost reductions (at 15kt per month production rate), cost reductions of approximately 15% already implemented and realised from 1 January 2020.
- The cost restructure and production moderation to date has been executed with optionality retained to react promptly to improved market demand. Further cash preservation strategies are available to Syrah if the market imbalance observed in H2 2019 is prolonged.
- Graphite sold and shipped of 17kt (September quarter: 45kt). Finished product inventory reduced to 14kt, a significant reduction compared to 31kt a year prior, positioning Balama for prevailing demand to drive production volume.
- Weighted average selling price (CIF) of US\$458/t (September quarter: US\$391/t), an increase versus prior quarter predominately due to product mix and geographic mix.
- Signs of inventory drawdown and price stabilisation evident from late in Q4 2019 due to reduced Balama production and seasonal Chinese production closures.
- Underlying thematic of decarbonisation of the transport sector via lithium ion battery powered EVs continues to gain momentum, with significant ongoing commitments by EV supply chain participants during the quarter.



- First purified spherical graphite produced from Vidalia, with purity greater than 99.95% achieved.
- Proceeds of A\$55.8m million from Convertible Note received. Cash balance at 31 December 2019 US\$80.6m versus forecast of US\$78.0m, positive variance primarily due to higher than forecast VAT recoveries.

Administration

Copper Strike's operating expenditure for the Quarter amounted to \$41k.

As at 31 December 2019, Copper Strike had approximately \$194k in the bank. Expenditure going forward is expected to be approximately \$52k per quarter, excluding investments and other one-off items. The Company will look to realize investments, as needed, to fund its ongoing operations.

-Ends-

For and on Behalf of the Board of Directors, and for further information please contact:

Tim Staermose
Chairman
+61 3 9692 7222

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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(26)	(68)
(e) administration and corporate costs	(15)	(124)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(41)	(191)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	(1,798)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	7	7
2.5 Other- Security Deposit refund	-	-
2.6 Net cash from / (used in) investing activities	7	(1,791)

3. Cash flows from financing activities		
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	-	(32)
3.8 Dividends paid	-	-
3.9 Other (card scheme membership security)	-	-
3.10 Net cash from / (used in) financing activities	-	(32)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	228	2,208
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(41)	(191)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	7	(1,791)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(32)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	194	194

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	194	228
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Bank term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	194	228

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

Current quarter \$A'000
25
-

Salaries and Superannuation paid to director related entities during the December 2019 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

Current quarter \$A'000
-
-

Nil

Mining exploration entity and oil and gas exploration entity quarterly report

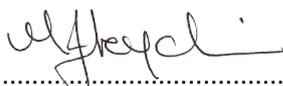
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description 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.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	25
9.5 Administration and corporate costs	27
9.6 Other	-
9.7 Total estimated cash outflows	52

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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: 31 January 2020

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.