

FINANCIAL INFORMATION

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Copper Strike Annual Report 2005

STATEMENT OF FINANCIAL PERFORMANCE For the Year Ended 30 June 2005

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenue from Ordinary Activities	2	180,952	-	180,952	-
Administrative costs		(226,835)	(8,964)	(226,835)	(8,964)
Employment costs		(281,936)	(65,000)	(281,936)	(65,000)
Depreciation		(2,547)	-	(2,547)	-
Exploration Expenses written off		(469,323)	-	(469,323)	-
Operating loss from ordinary activities before income tax	3	(799,689)	(73,964)	(799,689)	(73,964)
Income tax attributable to operating loss	4	-	-	-	-
Operating loss from ordinary activities after income tax		(799,689)	(73,964)	(799,689)	(73,964)
Total changes in equity other than those relating from transactions with owners as owners	14	(799,689)	(73,964)	(799,689)	(73,964)
				CENTS PER SHARE	CENTS PER SHARE
Earnings per Share					
Basic Earnings per share	22	(2.22)	(1.36)		
Diluted Earnings per share	22	(2.08)	(1.22)		

This statement should be read in conjunction with the accompanying notes which form part of this financial report.

STATEMENT OF FINANCIAL POSITION As at 30 June 2005

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2005 \$	2004 \$	2005 \$	2004 \$
Current Assets					
Cash assets	5	4,418,218	21,016	4,418,118	20,916
Receivables	6	138,937	11,212	143,982	11,212
Other	7	10,080	49,342	10,080	49,342
Total Current Assets		4,567,235	81,570	4,572,180	81,470
Non Current Assets					
Plant and Equipment	8	7,861	1,900	7,861	1,900
Exploration Expenditure	9	2,456,755	4,680	2,451,710	666
Other Financial Assets	10	-	-	100	100
Total Non-Current Assets		2,464,616	6,580	2,459,671	2,666
Total Assets		7,031,851	88,150	7,031,851	84,136
Current Liabilities					
Payables	11	196,840	7,014	196,840	3,000
Provisions	12	21,007	-	21,007	-
Total Current Liabilities		217,847	7,014	217,847	3,000
Total Liabilities		217,847	7,014	217,847	3,000
Net Assets		6,814,004	81,136	6,814,004	81,136
Equity					
Contributed Equity	13	7,687,657	155,100	7,687,657	155,100
Retained earnings (Accumulated losses)	14	(873,653)	(73,964)	(873,653)	(73,964)
Total Equity		6,814,004	81,136	6,814,004	81,136
Commitments for expenditure	23				

This statement should be read in conjunction with the accompanying notes which form part of this financial report.

STATEMENT OF CASH FLOWS For the year ended 30 June 2005

	Note	CONSOLIDATED ENTITY		PARENT ENTITY	
		2005 \$	2004 \$	2005 \$	2004 \$
Cash Flows From Operating Activities					
Receipts from customers		-	-	-	-
Interest received		180,952	-	180,952	-
Payments to suppliers and employees		(425,663)	(52,175)	(425,663)	(52,175)
Net cash used in operating activities	15	(244,711)	(52,175)	(244,711)	(52,175)
Cash Flows From Investing Activities					
Payment for property plant and equipment		(8,508)	(1,900)	(8,508)	(1,900)
Payment for exploration expenditure		(1,721,398)	(666)	(1,721,398)	(666)
Payment for security deposits		(80)	(10,000)	(80)	(10,000)
Net cash used in investing activities		(1,729,986)	(12,566)	(1,729,986)	(12,566)
Cash Flows From Financing Activities					
Proceeds from the issue of shares		6,905,000	125,100	6,905,000	125,000
Payment for capital raising expenses		(533,101)	(39,343)	(533,101)	(39,343)
Net cash provided by financing activities		6,371,899	85,757	6,371,899	85,657
Net Increase (Decrease) in Cash Held		4,397,202	21,016	4,397,202	20,916
Cash at the Beginning of the Financial Year		21,016	-	20,916	-
Cash at the End of the Financial Year	5	4,418,218	21,016	4,418,118	20,916

This statement should be read in conjunction with the accompanying notes which form part of this financial report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report covers the economic entity of Copper Strike Limited and its controlled entity, and Copper Strike Ltd as an individual parent entity. Copper Strike Limited is a listed public company, registered and domiciled in Australia. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account, except where stated, current valuations of non-current assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Principle of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entity controlled by Copper Strike Limited ("parent entity") as at 30 June 2005 and the results of the controlled entity for the year then ended. Copper Strike Limited and its controlled entity together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated Statement of Financial Performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists

(b) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at the lower of cost and net realisable value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible into cash, net of outstanding bank overdrafts.

(c) Trade and other receivables

Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful debts.

(d) Investments

Investments are valued at cost except where, in the opinion of the Directors, there has been a permanent diminution in the value of the investment and a provision for diminution has been made.

(e) Non-current assets

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed their recoverable amount assets are written down. In determining recoverable amount, the expected net cash flows have been discounted to their present value.

(f) Depreciation

Depreciation is calculated on a straight line or reducing value basis to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The depreciation rates used for plant and equipment are 15% to 40% reducing balance basis.

(g) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(i) Income Tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in provision for deferred income tax and future income tax benefit, as applicable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future Income Tax Benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(j) Intangibles

Intangibles are recorded at cost.

(k) Revenue Recognition

Revenue from the sale of goods is recognized upon the delivery of goods to customers.

Interest revenue is recognized on a proportional basis taking into account the interest applicable to the financial assets.

Dividend revenue is recognized when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue for the rendering of a service is recognized upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Earnings Per Share*Basic Earnings Per Share*

Basic Earnings Per Share is determined by dividing the operating result after income tax attributable to the members of Copper Strike Limited by the weighted average number of ordinary shares on issue during the financial year, adjusted for ordinary shares issued during the year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that could have arisen from the exercise of options on issue during the financial year.

(m) Exploration Expenditure

Exploration, evaluation and development expenditure in relation to separate areas of interest for which rights of tenure are current, are brought to account in the year in which they are incurred and are carried at cost.

The cost of the acquisition of an area of interest and exploration expenditure will be carried forward as an asset in the balance sheet where:

- (i) it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest or by its sale; or
- (ii) exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Where there has been a decision to proceed with development, accumulated expenditure is amortised over the life of the associated resource once mining operations commence.

(n) Adoption of Australian Equivalents to International Financial Reporting Standards

The company is preparing and managing the transition of Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the consolidated entity's and the parent entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The consolidated entity's management has assessed the significance of the expected changes and is preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The directors are of the opinion that the key material differences in the economic entity's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's directors and management.

Exploration and Evaluation

AASB6 Exploration and Evaluation of Mineral Resources has now been released which grandfathers accounting treatments which have previously been adopted by AASB1022. No material change is expected from the implementation of this standard.

Impairment of Assets

The recoverable amount of non-current assets will be assessed as the higher of the net selling price and value in use, on a discounted basis. Copper Strike currently assesses recoverable amounts of non-current assets based on undiscounted future net cash flows. No impact from this change is expected to occur.

Restoration, rehabilitation and environmental expenditure

Environmental obligations associated with the retirement or disposal of long lived assets will be recognized when the disturbance occurs and is based on the extent of damage incurred. The provision is measured at the present value of the future expenditure and a corresponding rehabilitation asset is also recognized. On an ongoing basis, the rehabilitation liability will be re-measured in line with the changes in the time value of money (recognized as an expense in the Statement of Financial Performance and an increase in the provision), and additional disturbances will be recognized as additions to a corresponding asset and rehabilitation liability. The rehabilitation asset will be accounted for in accordance with the accounting policy applicable to the asset to which it relates (ie. exploration expenditure)

Income tax

Under AASB 112 Income Taxes, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit of loss and/or taxable income or loss and current and deferred taxes cannot be recognized directly in equity. Under AIFRS deferred tax assets will be recognized for the carry forward of unused tax losses to the extent that future taxable profit is probable rather than virtually certain. No impact from this change is expected to occur.

Equity-based compensation benefits

Under AASB 2 Share-based Payment, equity based compensation to employees will be recognised as an expense in respect of the services received.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the terms of the options, the vesting and performance criteria, the impact of the dilution, the non-tradeable nature of the option, the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The impact of this change in the year ended 30 June 2005 would be as follows:

Total options issued during the year	2,900,000
Total options escrowed until 24 November 2006	2,400,000
Total options available to be exercised	500,000
Value of unconditional options at grant date	33,700
Term of option	5 years
Expense for year ended 30 June 2005	\$6,740

The financial statements are prepared in accordance with Australian Generally Accepted Accounting Principals ("AGAAP"), which differs in certain respects from Australian Equivalents to International Financial Reporting Standards ("AIFRS"). The approximate effect of applying AIFRS for the year ended 30 June 2005, where the impact of applying AIFRS is materially different to AGAAP, is set out below:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
Reconciliation of Net Profit				
Net (loss) attributable to the members of the Company under AGAAP	(799,689)	(73,964)	(799,689)	(73,964)
Recognition of share based payment	(6,740)	-	(6,740)	-
Net (loss) according to AIFRS	(806,429)	(73,964)	(806,429)	(73,964)
The above adjustment relates to equity-based compensation benefits via the granting of employee share options.				
There is no impact on total equity.				
2. REVENUE				
Interest revenue – other entities	180,952	-	180,952	-
3. PROFIT FROM ORDINARY ACTIVITIES				
Loss from ordinary activities before income tax has been determined after the following expenses:				
Depreciation of non-current assets	2,547	-	2,547	-
Exploration expenditure written off	469,323	-	469,323	-
Rental expense on operating leases	9,633	-	9,633	-

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
4. INCOME TAX				
(a) Income tax expense				
The aggregate amount of income tax attributable to the financial year differs by more than 15% from the amount calculated on the operating loss. The differences are reconciled as follows:				
Operating loss before income tax	(799,689)	(73,964)	(799,689)	(73,964)
Prima facie income tax benefit at 30% on operating loss	(239,906)	(22,189)	(239,906)	(22,189)
Tax effect of permanent differences		-		-
- Exploration costs	(735,313)	(200)	(735,313)	(200)
- Other costs non deductible	928	7,414	928	7,414
- Timing differences	(28,944)	(8,527)	(28,944)	(8,527)
Income tax losses carried forward not taken up as a benefit	(1,003,235)	(23,502)	(1,003,235)	(23,502)
Income tax benefit attributable to operating loss	-	-	-	-

At 30 June 2005, the consolidated entity had accumulated revenue tax losses of \$3,422,457 (2004: \$78,340) resulting from its operations.

The future income tax benefit of approximately \$1,026,737 (2004: \$23,502), based on a corporate tax rate of 30%, attributed to revenue tax losses, has not been brought to account but may be realised if:

- (i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
5. CASH				
Cash on hand	100	100	-	-
Cash at bank	4,418,118	20,916	4,418,118	20,916
	4,418,218	21,016	4,418,118	20,916

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
6. RECEIVABLES				
Amounts receivable from wholly owned subsidiaries	-	-	5,045	-
GST receivable	99,215	11,212	99,215	11,212
Interest receivable	39,722	-	39,722	-
	138,937	11,212	143,982	11,212
7. OTHER				
Prepaid IPO Costs	-	39,342	-	39,342
Deposits paid	10,080	10,000	10,080	10,000
	10,080	49,342	10,080	49,342
8. PLANT AND EQUIPMENT				
Plant and equipment - at cost	10,408	1,900	10,408	1,900
Less: accumulated depreciation	2,547	-	2,547	-
	7,861	1,900	7,861	1,900
<i>Reconciliation of plant and equipment</i>				
Carrying amount at beginning of the year	1,900	-	1,900	-
Additions	8,508	1,900	8,508	1,900
Depreciation expense	(2,547)	-	(2,547)	-
Carrying amount at end of the year	7,861	1,900	7,861	1,900
9. EXPLORATION EXPENDITURE				
Costs carried forward in respect of areas of interest in exploration and evaluation phase	2,456,755	4,680	2,451,710	666
10. OTHER FINANCIAL ASSETS				
Investments in controlled entity	-	-	100	100

Details of the investments in the controlled entities are:

Name of Entity	Country of Incorporation	% Held 2005	% Held 2004
Sherwood Ventures Pty Ltd	Australia	100%	100%

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
11. PAYABLES – CURRENT				
Unsecured liabilities				
Trade Creditors and accruals	196,840	7,014	196,840	3,000
12. PROVISIONS – CURRENT				
Employee Entitlements	21,007	-	21,007	-
Aggregate Employee Benefits Liability	21,007	-	21,007	-
Number of employees at year end	2	-	2	-
13. CONTRIBUTED EQUITY				
(a) 51,700,000 (2004:9,100,000) fully paid ordinary shares	7,687,657	155,100	7,687,657	155,100

(b) Movements in ordinary share capital of the company were as follows:

Date	Details	Note	Number of shares	\$
13-03-2004	Opening Balance		-	-
	One subscriber share issued on incorporation		1	-
	Issue of ordinary shares pursuant to CGT Rollover	(i)	5,400,000	-
	Issue of ordinary shares to E.T Eadie	(ii)	599,999	100
	Issue of ordinary shares as seed capital at \$0.05 per share on 1 June 2004		3,100,000	155,000
30-06-2004	Closing Balance		9,100,000	155,100
	Issue of fully paid ordinary shares (seed capital)		4,100,000	405,000
	Issue of fully paid ordinary shares pursuant to IPO		32,500,000	6,500,000
	Issue of Vendor Shares to Teck Cominco Aust Pty Ltd		6,000,000	1,200,000
	Less Costs of Capital Raising		-	(572,443)
30-06-2005	Closing Balance		51,700,000	7,687,657

(i) Pursuant to a rollover agreement made 6 April 2004 between the Company, Geo Discovery Group Pty Ltd ("GD") (a company associated with Mr Neil McLean) and Sherwood Ventures Pty Ltd, GD were issued and allotted 5,400,000 ordinary shares in the capital of Copper Strike Limited in exchange for transfer to Copper Strike Limited of all of the issued ordinary shares in the capital of Sherwood Ventures Pty Ltd.

(ii) On 7 May 2004 Mr E T Eadie was issued 599,999 ordinary shares credited as fully paid. The shares were issued and allotted in consideration of Mr Eadie agreeing to provide management services.

(c) Unlisted options

Copper Strike Limited has issued 2,900,000 options at an exercise price of \$0.20 exercisable on or before 31 October 2009. All of these options were issued as remuneration incentives to directors and consultants.

(d) Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
14. ACCUMULATED LOSSES				
Opening Balance	73,964	-	73,964	-
Current year loss	799,689	73,964	799,689	73,964
Closing Balance	873,653	73,964	873,653	73,964
15. NOTES TO THE STATEMENT OF CASH FLOWS				
Reconciliation of Operating Loss After Income Tax to Net Cash Flows From Operating Activities:				
Operating Loss after income tax	(799,689)	(73,964)	(799,689)	(73,964)
Non-Cash Activities				
Operating expenses settled through issue of capital	-	30,000	-	30,000
Depreciation	2,547	-	2,547	-
Exploration cost written off	469,323	-	469,323	-
Annual Leave provision	21,007	-	21,007	-
Changes in net assets:				
(Increase)/Decrease in trade receivables	(127,725)	(11,211)	(127,725)	(11,211)
Increase in payables	189,826	3,000	189,826	3,000
Net Cash used in operating activities	(244,711)	(52,175)	(244,711)	(52,175)

16. FINANCIAL INSTRUMENTS

(a) The following tables details the company's exposure to interest rate risk at 30 June 2005 and 2004

2005	Average Interest Rate (%)	Variable Interest Rate (\$)	Fixed Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets					
Cash and term deposits	5.5	4,418,418	-	100	4,418,218
Receivables	-	-	-	138,937	138,937
Deposits	-	-	-	10,080	10,080
TOTAL FINANCIAL ASSETS		4,418,418	-	149,117	4,567,235
Financial Liabilities					
Payables	-	-	-	196,840	196,840
TOTAL FINANCIAL LIABILITY	-	-	-	196,840	196,840

2004	Average Interest Rate (%)	Variable Interest Rate (\$)	Fixed Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets					
Cash	2.0	20,916	-	100	21,016
Receivables	-	-	-	11,212	11,212
Deposits	-	-	-	10,000	10,000
TOTAL FINANCIAL ASSETS		20,916	-	21,312	42,228
Financial Liabilities					
Payables	-	-	-	7,014	7,014
TOTAL FINANCIAL LIABILITY	-	-	-	7,014	7,014

(b) Net Fair Values

The aggregate net fair values of financial assets and liabilities are the same as the carrying amounts.

17. DIRECTORS AND EXECUTIVE DISCLOSURES

All Directors and Executive Disclosures are included in the Directors Report.

18. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

Transactions with controlled entities

During the year Copper Strike Limited, in the normal course of business, entered into transactions with its controlled entity, Sherwood Ventures Pty Ltd.

Aggregate amounts receivable from Sherwood Ventures is included in Note 6.

Transactions with Director Related Entities

- a) Royalco Resources Limited, a company associated with Mr Peter Topham, receive consultancy fees of \$41,000 for the provision of secretarial services
- b) Royalco Resources Limited has entered into an agreement with Copper Strike Limited whereby Royalco Resources Limited will receive a Net Smelter Return royalty of 1% of production from the tenement held at Mt Lyell North in Tasmania, and referred to as the Lake Margaret tenement.
- c) Geo Discovery Group Pty Ltd, a company associated with Mr Neil McLean, received consultancy fees of \$20,735 for director services.
- d) Geo Discovery Group Pty Ltd, a company associated with Mr Neil McLean, received consultancy fees of \$278,837 for geological services.
- e) Royalco Resources Limited, a company associated with Mr Peter Topham, paid rent of \$2,984 under a sub-lease agreement which commenced in August 2004.
- f) Royalco Resources Limited, a company associated with Mr Peter Topham, paid a rental bond of \$6,657.87 under a sub-lease agreement which commenced in August 2004.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
19. AUDITORS REMUNERATION				
Auditing the financial report	10,000	4,000	10,000	4,000
Other services	7,300	2,000	7,300	2,000
Closing Balance	17,300	6,000	17,300	6,000

20. SEGMENT REPORTING

The company operated predominately as an explorer for base and precious metals, with the emphasis on copper and copper-gold mineralisation within Australia.

21. SUBSEQUENT EVENTS

Subsequent to year end, the following events occurred:

On 19 July 2005 the company announced ongoing drilling results from resource definition drilling at the Einasleigh and Kaiser Bill prospects, and that a resource definition was expected on the Einasleigh prospect during the September quarter.

On 26 July 2005 the company announced that it had signed a joint venture agreement with Paradigm Gold Limited to allow Paradigm to explore and earn an interest in Copper Strike's wholly owned Brovinia gold project (EPM 15036) located 250 km northwest of Brisbane.

The terms of the agreement are:

- Paradigm must drill a minimum of 400m during the initial exploration program.
- Should Paradigm elect to continue beyond the initial program, it can earn a 40% interest in the project by spending \$500,000 on exploration over 3 years.
- Following the earning of a 40% interest, Paradigm has an option to increase this to 51% by issuing Copper Strike 2,000,000 Paradigm ordinary shares, or the equivalent in cash, at Paradigm's option.

On 23 August 2005 the company announced its intention to grant options to directors and key executives. The proposed grant of options to directors will be subject to shareholder ratification at the company's AGM.

On 26 August 2005 the company announced further drilling results from resource definition drilling at the Einasleigh prospect.

	2005 Cents Per Share	2004 Cents Per Share
22. (LOSS) PER SHARE		
Basic (loss) per share	(2.22)	(1.36)
Diluted (loss) per share	(2.08)	(1.22)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic (loss) EPS	36,057,260	5,416,514
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	38,457,260	6,077,064

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2005 \$	2004 \$	2005 \$	2004 \$
23. COMMITMENTS FOR EXPENDITURE				
Exploration Tenements – Commitments for Expenditure				
In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay rentals and to meet the minimum expenditure requirements of the State Mines Departments. Minimum expenditure commitments may be subject to renegotiation and with approval may otherwise be avoided by sale, farm out or relinquishment. These obligations are not provided in the accounts and are payable:				
Not later than one year	989,250	205,000	989,250	205,000
Later than one year but not later than five	2,256,250	-	2,256,250	-
Later than five years	-	-	-	-
	<u>3,245,500</u>	<u>205,000</u>	<u>3,245,500</u>	<u>205,000</u>
Operating Rental Leases– Commitments for Expenditure				
Not later than one year	66,292	-	66,292	-
Later than one year but not later than five	42,453	-	42,453	-
Later than five years	-	-	-	-
	<u>108,745</u>	<u>-</u>	<u>108,745</u>	<u>-</u>

The directors declare that:

1. The financial statements and notes, as set out on pages 26 to 43:
 - (a) comply with accounting standards and are in accordance with the Corporations Act 2001, and
 - (b) give a true and fair view of the financial position as at 30 June 2005 and performance for the year ended on that date of the Company; and
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion, 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 the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

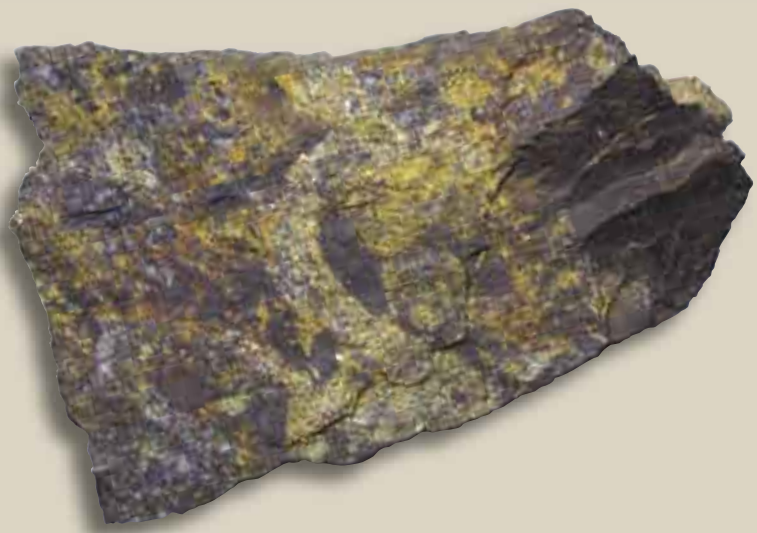


ET Eadie

Director

13 September 2005

Looking forward to another exciting year





SCOPE

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Copper Strike Limited (the Company) for the year ended 30 June 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included;

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian accounting ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Copper Strike Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) gives a true and fair view of the Copper Strike Limited's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

LEYDIN FREYER CORPORATE PTY LTD

Chartered Accountants



M J LEYDIN

Director

13 September 2005

Leydin Freyer Corporate Pty Ltd Chartered Accountants ABN: 25 399 005 263

Suite 304, 22 St Kilda Road, St Kilda VIC 3182

Ph: +613 9692 7222 Fax: +613 9529 8057 Email: admin@leydinfreyer.com.au Web: www.leydinfreyer.com.au

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that were in place since the last quarter of the 2005 financial year. These Corporate Governance practices comply with the ASX Corporate Governance Council recommendations unless otherwise stated.

ROLE OF THE BOARD

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. To fulfill this role, the Board is responsible for setting the strategic directions for the Company, establishing goals for management and monitoring the achievement of these goals.

Because of the limited size of the Company and its financial affairs and operations, the use of separate remuneration and audit committees of the Board of Directors is not considered generally appropriate. All matters that might properly be dealt with by such committees are currently dealt with by the full Board of Directors. Decisions of the Board are, to the extent practicable, unanimous. There were no occasions during the year when decisions were not unanimous.

The company acknowledges that the ASX guidelines for corporate governance require that the Chairman be an independent non executive director, and that at any rate the Chairman and Managing Director roles should not be performed by the same person. Because of the limited size and nature of the Company's activities, this is not considered to be practical or appropriate at the current time. As the Company's activities expand, this policy will be reviewed, with a view to aligning the Company's policies to best practice guidelines.

The Board operates in accordance with the broad principles set out in its charter, which is available from the Corporate Governance section of the company's website at www.copperstrike.com.au.

COMPOSITION OF THE BOARD

The names and details of the Directors of the Company in office at the date of this Statement are set out in the Director's Report.

The composition of the Board is determined using the following principles:

- Persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter.

- All Non-Executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and program, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company.
- Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting one third of the Directors (excluding the Managing Director) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.
- The Company considers that the Board should have at least three Directors (minimum required under the Company's Constitution) and strives to have a majority of independent Directors but acknowledges that this may not be possible at all times due to the size of the Company. Currently the Board has three Directors, of which only one is independent. The number of Directors is maintained at a level which will enable effective spreading of workload and efficient decision making.

The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

PERFORMANCE OF DIRECTORS AND MANAGING DIRECTOR

The performance of all Directors, the Board as a whole and the Managing Director is reviewed at least annually in accordance with the Company's Corporate Governance guidelines.

A review was undertaken during the year ended 30 June 2005. The Company appointed Mr Tom Eadie as Managing Director on 30 March 2004.

CONFLICT OF INTEREST

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the Board meeting whilst the item is considered. Details of Directors related entity transactions with the Company and Consolidated Entity are set out in the related parties note in the financial statements.

**INDEPENDENT PROFESSIONAL
ADVICE AND ACCESS TO COMPANY
INFORMATION**

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of advice received by the Director is made available to all other members of the Board.

REMUNERATION

The Company's ASX Principles of Good Corporate Governance as adopted is to Remunerate Fairly and Responsibly and part of the remuneration is to be incentive based as considered appropriate by the Board. The Board of Directors maintains remuneration policies which are aimed at attracting and retaining a motivated workforce and management team. The intention is to match the outcomes from the remuneration system with the performance of the Company and ultimately the value received by shareholders on a long-term basis.

As an overall policy, the Company will remunerate in such a way that it:

- motivates Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
- demonstrates a clear relationship between key executive performance and remuneration.

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. The Board has adopted the following policies of Directors and executives remuneration:

A full discussion of the Company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period is included in the remuneration report, which is contained within the Report of the Directors.

COMPANY WEBSITE

Copper Strike Limited has made available details of all its Corporate Governance principles, which can be found in the Corporate Governance information section of the Company website at www.copperstrike.com.au.



The shareholder information set out below was applicable as at 9th September 2005.

1. DISTRIBUTION OF SHAREHOLDERS

(a) Analysis of number of shareholders by size of holding.

Category of holding	Holders	Number of shares	% of Capital
1 – 1000	5	1,365	0.0
1001 – 5000	109	370,097	0.72
5001 – 10000	172	1,574,282	3.05
10001 – 100000	434	17,075,451	33.03
100001 and over	59	32,678,805	63.21
Total	779	51,700,000	100.00

(b) There are 5 shareholders with less than a marketable parcel of ordinary shares.

2. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary shares are listed below:

Shareholder	Holding	%
Teck Cominco Australia Pty Ltd	8,625,000	16.68
Geo Discovery Group Pty Ltd	# 4,900,000	9.48
J P Morgan Nominees Australia Limited	2,000,000	3.87
Mr Trevor Mulroney	1,500,000	2.90
Ernest Thomas Eadie	1,200,000	2.32
Mr David Colin Archibald	1,000,000	1.93
Tricom Nominees Pty Ltd <LPG A/C>	669,000	1.29
Howard – Smith Investments P/L	609,753	1.18
Baracus Pty Ltd	500,000	0.97
Royalco Resources Ltd	* 500,000	0.97
Ian Joseph Sandl	500,000	0.97
Neil McLean	350,000	0.68
Brescia Investments Pty Ltd		
<Brescia Investment A/C>	300,000	0.58
Mr Roger Gordon Smith and Mrs Regina Mary Smith	300,000	0.58
Trayburn Pty Ltd	300,000	0.58
Warrambo Holdings Pty Ltd	300,000	0.58
ANZ Nominees Limited <Cash Income A/C>	252,000	0.49
Barade Pty Ltd <Chrimes Family A/C>	250,000	0.48
Belmore Capital Pty Ltd	250,000	0.48
Mr John Keith Howard-Smith	250,000	0.48
TOTAL	24,305,753	47.01

* Shareholder associated with a director, Peter John Topham # Shareholder associated with a director, Neil McLean

3. RESTRICTED SECURITIES

As at 9 September-2005, the company had 7,275,000 ordinary shares subject to escrow arrangements until 24 November 2006., and 6,000,000 ordinary shares subject to escrow arrangements until 22 November 2006. In addition, there were 2,400,000 options exercisable at 20 cents and maturing on 31 October 2009 that were subject to escrow arrangements until 24 November 2006.

4. SUBSTANTIAL SHAREHOLDERS

As at 9 September 2005 the substantial shareholders were as follows:

Name of Shareholder	No of Shares	% of Issued Capital
Teck Cominco Australia Pty Ltd	8,625,000	16.68
Geo Discovery Group Pty Ltd	4,900,000	9.48

5. VOTING RIGHTS

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

*Teck Cominco Australia
is Copper Strike's
largest shareholder with 16.68%*

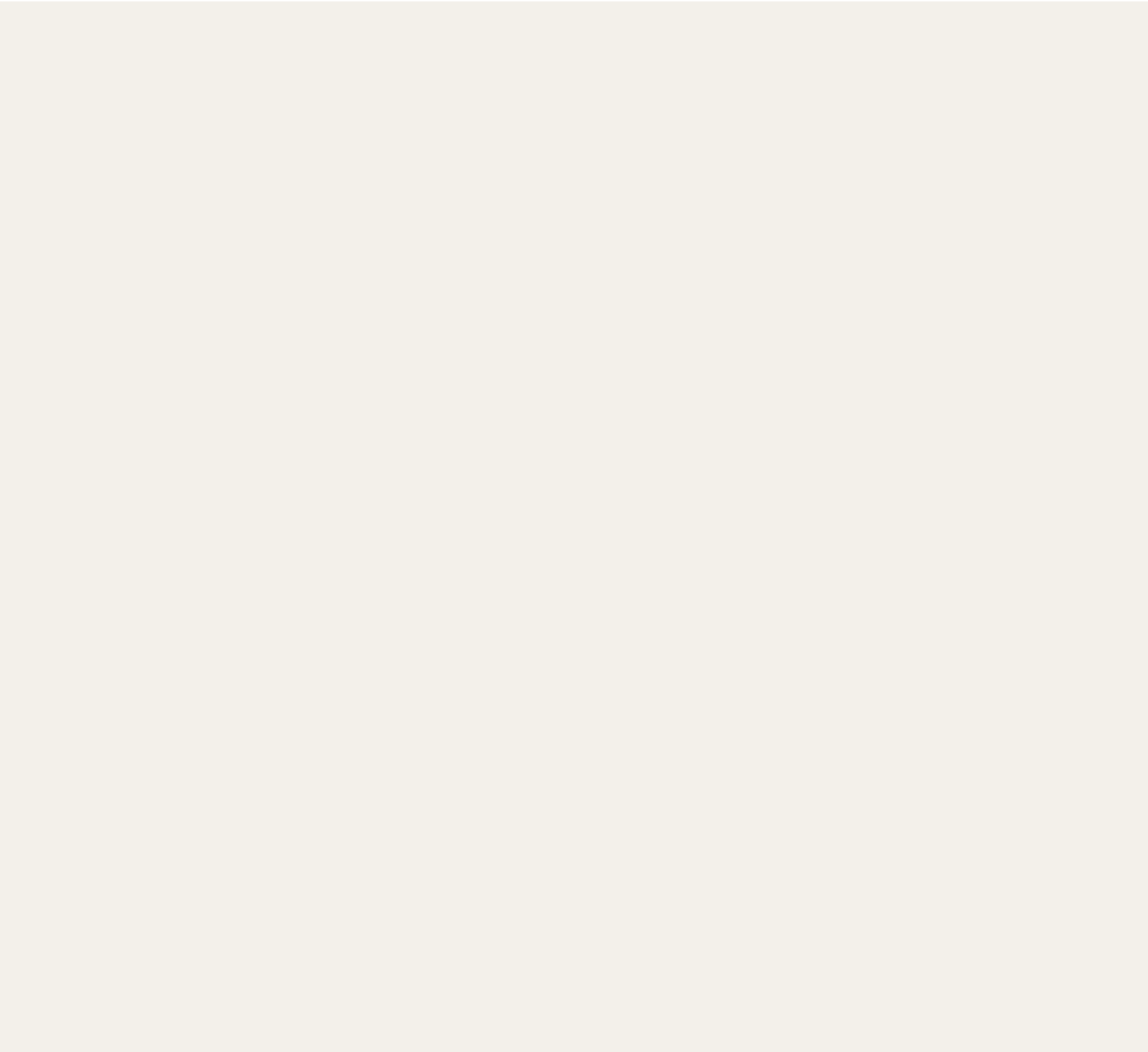
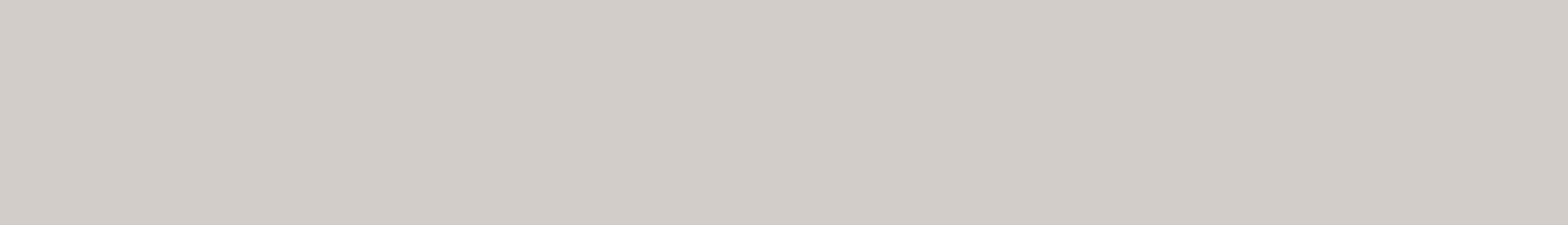


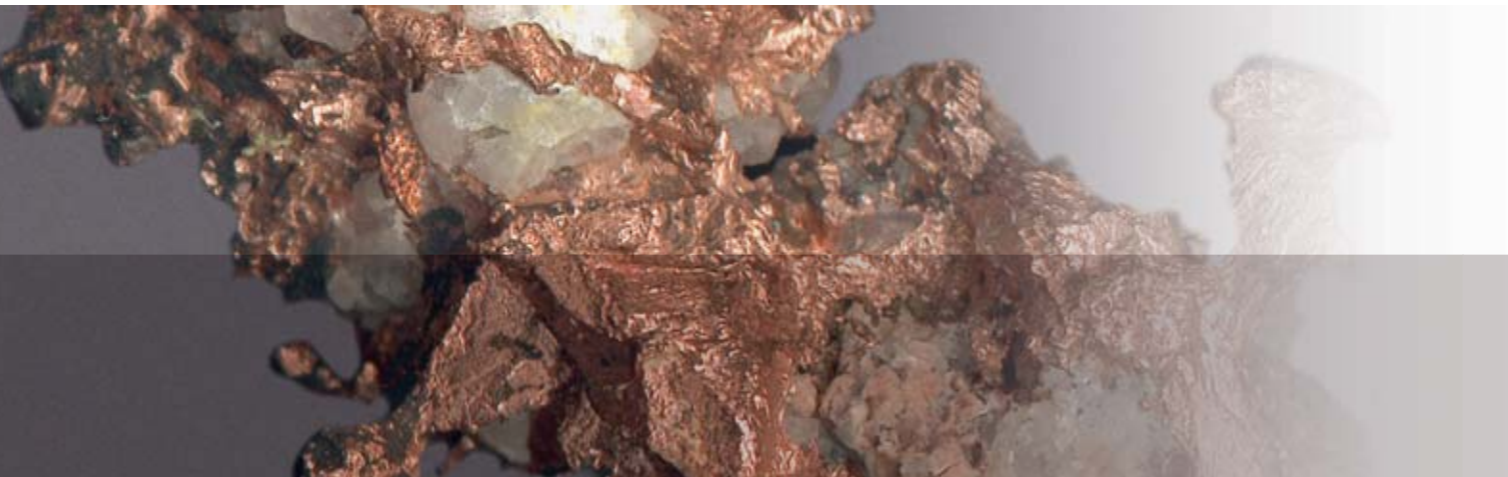
SCHEDULE OF MINERAL TENEMENTS

Project	Tenement Details	Copper Strike Interest (%)
Archie and Mackenzie	EPM 15071	100
	EPM 15073	100
Central Queensland	EPM 14963	100
	EPM 15036	100 #
Einisleigh	EPM 12934	100
	EPM 13072	100
	EPM 13602	100
	EPM 13603	100
	EPM 14527	100
	EPM 14584	100
	EPM 14989	100
Kamarga	EPM 14309	100
Levuka	EPM 14746	100
Packers Creek	EPM 13767	100
	EPM 13885	100
Walford Creek	EPM 14220	100
	EPM 14854	100
West Georgetown	EPM 14311	100
	EPM 14570	100
	EPM 14571	100
	EPM 14572	100
Kangiara	EL 6274	100
Lake Margaret	EL 35/2004	100

Subsequent to 30th June 2005 a joint venture with Paradigm Gold Limited enables this Company to earn up to 51% interest in this

NOTES





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