



Financial Information

for the year ended 30 June 2008



Income Statement

for the year ended 30 June 2008

	Note	Consolidated Entity		Parent Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	2	586,719	139,750	586,719	139,750
Profit on sale of tenements		-	647,195	-	2,417,855
Profit on derecognition of subsidiary		1,772,328	-	-	-
Administrative costs		(236,054)	(245,331)	(236,054)	(243,663)
Employment costs		(912,097)	(859,854)	(912,097)	(859,854)
Depreciation		(29,619)	(7,443)	(29,619)	(7,443)
Exploration expenses written off		(50,667)	(231,954)	(50,667)	(231,954)
Fair value adjustments		(990,001)	(63,441)	(990,001)	(63,441)
Loss on sale of investments		(395,890)	(6,888)	(395,890)	(6,888)
Loss before income tax	3	(255,281)	(627,966)	(2,027,609)	1,144,362
Income tax expense	4	-	-	-	-
Loss for the year		(255,281)	(627,966)	(2,027,609)	1,144,362

	Note	Cents per share	Cents per share
Earnings (Loss) per Share			
Basic Earnings/(loss) per share	22	(0.31)	(1.00)
Diluted Earnings/(loss) per share	22	(0.29)	(1.00)

The accompanying notes form part of these financial statements.

Balance Sheet

as at 30 June 2008

	Note	Consolidated Entity		Parent Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Current Assets					
Cash and cash equivalents	20 (a)	6,428,550	2,422,357	6,428,448	2,222,254
Trade and other receivables	7	295,937	173,227	295,937	173,227
Other financial assets	8	810,000	821,320	815,147	828,033
Other current assets	9	-	2,580	-	2,580
Total Current Assets		7,534,487	3,419,484	7,539,532	3,226,094
Non Current Assets					
Plant and equipment	10	49,507	57,100	49,507	57,100
Intangible assets	11	16,190	17,364	16,190	17,364
Other non-current assets	12	13,795,705	8,112,090	13,790,660	8,077,705
Other financial assets	8	-	-	-	1,800,103
Total Non-Current Assets		13,861,402	8,186,554	13,856,357	9,952,272
Total Assets		21,395,889	11,606,038	21,395,889	13,178,366
Current Liabilities					
Trade and other payables	13	918,163	497,780	918,163	297,780
Provisions	14	66,662	73,620	66,662	73,620
Total Current Liabilities		984,825	571,400	984,825	371,400
Non-Current Liabilities					
Provisions	14	99,614	92,883	99,614	92,883
Total Non-Current Liabilities		99,614	92,883	99,614	92,883
Total Liabilities		1,084,439	664,283	1,084,439	464,283
Net Assets		20,311,450	10,941,755	20,311,450	12,714,083
Equity					
Issued Capital	15	22,556,211	13,037,975	22,556,211	13,037,975
Reserves	16	380,013	334,021	380,013	334,021
Accumulated losses		(2,624,774)	(2,430,241)	(2,624,774)	(657,913)
Total Equity		20,311,450	10,941,755	20,311,450	12,714,083

The accompanying notes form part of these financial statements.

Statement of Changes In Equity

for the year ended 30 June 2008

	Issued Capital	Retained Earnings	Option Reserve	Total
CONSOLIDATED				
At 1 July 2006	9,219,331	(1,861,320)	182,043	7,540,054
Cost of Share based payments	-	-	211,023	211,023
Loss for the year	-	(627,966)	-	(627,966)
Total recognised income and expense for the year	9,219,331	(2,489,286)	393,066	7,123,111
Exercise of Options	243,750	59,045	(59,045)	243,750
Issue of Shares	3,677,840	-	-	3,677,840
Costs of Capital Raising	(102,946)	-	-	(102,946)
At 30 June 2007	13,037,975	(2,430,241)	334,021	10,941,755
At 1 July 2007	13,037,975	(2,430,241)	334,021	10,941,755
Cost of Share based payments	-	-	106,740	106,740
Loss for the year	-	(255,281)	-	(255,281)
Total recognised income and expense for the year	13,037,975	(2,685,522)	440,761	10,793,214
Exercise of Options	-	60,748	(60,748)	-
Issue of Shares	10,011,682	-	-	10,011,582
Costs of Capital Raising	(493,446)	-	-	(493,346)
At 30 June 2008	22,556,211	(2,624,774)	380,013	20,311,450
PARENT				
At 1 July 2006	9,219,331	(1,861,320)	182,043	7,540,054
Cost of Share based payments	-	-	211,023	211,023
Profit for the year	-	1,144,362	-	1,144,362
Total recognised income and expense for the year	9,219,331	(716,958)	393,066	8,895,439
Exercise of Options	243,750	59,045	(59,045)	243,750
Issue of Shares	3,677,840	-	-	3,677,840
Costs of Capital Raising	(102,946)	-	-	(102,946)
At 30 June 2007	13,037,975	(657,913)	334,021	12,714,083
At 1 July 2007	13,037,975	(657,913)	334,021	12,714,083
Cost of Share based payments	-	-	106,740	106,740
Profit/(Loss) for the year	-	(2,027,609)	-	(2,027,609)
Total recognised income and expense for the year	13,037,975	(2,685,522)	440,761	10,793,214
Exercise of Options	-	60,748	(60,748)	-
Issue of Shares	10,011,682	-	-	10,011,582
Costs of Capital Raising	(493,446)	-	-	(493,346)
At 30 June 2008	22,556,211	(2,624,774)	380,013	20,311,450

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2008

	Note	Consolidated Entity		Parent Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash Flows From Operating Activities					
Interest received		412,278	140,817	412,278	140,817
Payments to suppliers and employees		(529,296)	(746,243)	(529,296)	(744,575)
Net cash used in operating activities	20(b)	(117,018)	(605,426)	(117,018)	(603,758)
Cash Flows From Investing Activities					
Payment for property, plant and equipment		(9,752)	(49,228)	(9,752)	(49,228)
Payment for software		(11,100)	(22,106)	(11,100)	(22,106)
Payment for exploration expenditure		(5,721,928)	(3,619,587)	(5,751,269)	(3,619,587)
Payment for investments		-	(225,000)	-	(225,000)
Proceeds from sale of investments		397,756	49,496	425,430	49,496
Proceeds from sale of tenements		-	110,000	-	110,000
Proceeds from contribution to exploration activities		150,000	-	150,000	-
Payment for investments in subsidiaries		-	-	-	(3)
Net cash used in investing activities		(5,195,024)	(3,756,425)	(5,196,691)	(3,756,428)
Cash Flows From Financing Activities					
Proceeds from the issue of shares		10,011,682	3,921,861	10,011,682	3,921,861
Payment for capital raising expenses		(493,447)	(103,217)	(493,447)	(103,217)
Proceeds from Director related Company		-	200,000	-	-
Repayment to/(advances to) subsidiaries		-	-	1,668	(1,668)
Net cash provided by financing activities		9,518,235	4,018,644	9,519,903	3,816,976
Net Increase (Decrease) in Cash Held		4,206,193	(343,207)	4,206,193	(543,210)
Cash and cash equivalents at the beginning of the financial year		2,422,357	2,765,564	2,222,254	2,765,464
Less Cash held by subsidiary derecognised		(200,000)	-	-	-
Cash and cash equivalents at the end of the financial year	20(a)	6,428,550	2,422,357	6,428,448	2,222,254

The accompanying notes form part of these financial statements.

Notes to and forming part of the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Copper Strike Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Statement of compliance

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

The financial report includes the separate financial statements of the Company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 29 September 2008.

Basis of preparation

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2008.

Adoption of new and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The Company has also adopted the following standards as listed below which impacted on the Company's financial statements with respect to disclosure.

- AASB 101 'Presentation of Financial Statements' (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'
- AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments'
- AASB 2007-7 'Amendments to Australian Accounting Standards' [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128] and Erratum: Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113]

Principles of Consolidation

A controlled company is any company Copper Strike Limited has the power to control the financial and operational policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent Company.

Where controlled entities have entered or left the economic entity during the year, their operational results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Significant accounting policies

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

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at date of acquisition.

(b) Financial instruments issued by the Company

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

(c) 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.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Income tax**Current tax**

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Consolidated Entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(f) Exploration Expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(g) Financial Assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company financial statements. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements and the cost method in the Company financial statements.

Other financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, 'held-to-maturity investments', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(g) Share-Based Payments

Equity-settled share-based payments with employees and other providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

(i) Employment Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their normal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(j) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation
Plant and equipment	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(k) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business combinations' are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(n) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretation listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group and the Company's financial report:

- AASB 101 'Presentation of Statements' (revised September 2007)
Effective for annual reporting periods beginning on or after 1 January 2009

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the Company:

- AASB 123 'Borrowing Costs' (revised)
Effective for annual reporting periods beginning on or after 1 January 2009
- AASB 2008-5 and AASB 2008-6 'Amendments to Australian Accounting Standards – Annual Improvements Project, amend 26 Standards'
Effective for annual reporting periods beginning on or after 1 January 2009

- AASB 2008-7 'Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Company or Associate.'

Effective for annual reporting periods beginning on or after 1 January 2009

The potential effect of the initial application of the expected issue of an Australian equivalent accounting standard to the following Standard has not yet been determined:

- IFRS 3 'Business Combinations' and IAS 27 'Separate and Consolidated Financial Statements'

Effective for annual reporting periods beginning on or after 1 July 2009

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 1, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

Key estimates

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates - impairment

No impairment has been recognised in respect of exploration expenditure for the current year ended 30 June 2008.

Key judgements - tax losses

The Company has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the Company will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
2. REVENUE				
Contribution to exploration expenditure	150,000	-	150,000	-
Other income	6,225	-	6,225	-
Interest revenue – other entities	430,494	139,750	430,494	139,750
	586,719	139,750	586,719	139,750
3. PROFIT/(LOSS) FROM OPERATIONS				
Loss before income tax has been arrived at after crediting/(charging) the following gains and losses from continuing operations.				
Profit on derecognition of subsidiary (i)	1,772,328	-	-	-
Share based payments				
- equity settled share base payments	(106,740)	-	106,740	-
Exploration costs written off	(50,667)	(231,954)	(50,667)	(231,954)
Depreciation and amortisation of non-current assets				
- Plant and equipment	(17,345)	(2,701)	(17,345)	(2,701)
- Software	(12,274)	(4,442)	(12,274)	(4,442)
	(29,619)	(7,143)	(26,619)	(7,143)
Post employment benefit plan				
- Contribution plans	(153,667)	-	(153,667)	-
Charges to provisions				
- Employee entitlements	227	-	227	-
Change in fair value of financial assets designated as fair value through profit or loss	(990,001)	-	(990,001)	-
Loss on disposal of investments	(395,890)	-	(395,890)	-

(i) The parent Company's investment in Syrah Resources Limited was diluted during the year from 100% in 2007 to 30% in 2008. This profit represents the sale of tenements from Copper Strike Limited to Syrah Resources Limited that had been previously eliminated upon consolidation.

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
4. INCOME TAXES				
(a) Income tax recognised in profit or loss				
Tax expense / (income) comprises:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Total tax expense / (income)	-	-	-	-
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:				
Profit / (loss) from operations	(255,281)	(627,966)	(2,027,609)	1,144,363
Income tax expense (income) calculated at 30% (2007: 30%)	(76,584)	(188,390)	(608,283)	343,309
Income tax of other members of the tax consolidated group	-	-	-	-
Add:				
Tax effect of:				
Non-deductible expenses	431,786	104,468	431,786	104,468
Share based payments	32,022	63,307	32,022	63,307
Sale of Tenements	-	53,267	-	53,267
Tax Income/(Losses) of subsidiaries assumed	-	-	-	(501)
Unused tax losses not recognised as deferred tax assets	1,906,590	1,032,379	1,906,590	1,032,379
Less:				
Tax effect of:				
Non-assessable intercompany gain	-	-	-	(531,198)
Non-assessable income	(538,732)	(2,318)	(7,033)	(2,318)
Capital raising costs	(45,184)	(45,184)	(45,184)	(45,184)
Exploration Expenditure	(1,709,898)	(1,017,529)	(1,709,898)	(1,017,529)
Income Tax expense	-	-	-	-
Deferred tax assets not brought to account as assets:				
- Tax Losses (revenue or operating losses)	422,381	191,431	422,381	191,431
- Tax Losses (capital)	748,054	556,552	748,054	556,552
- Temporary Differences	82,672	2,066	82,672	2,066
	1,253,107	750,049	1,253,107	750,049

Tax Consolidation

Relevance of tax consolidation to the economic Company

Copper Strike Limited and its wholly owned subsidiaries have formed a tax consolidated group with effect from 1 July 2007 and are therefore taxed as a single Company from that date. The head Company within the tax consolidated group is Copper Strike Limited.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax consolidated group have not entered into a tax funding arrangement nor a tax sharing agreement with the head Company.

5. KEY MANAGEMENT PERSONNEL

(a) Key Management Personnel Compensation

Details of key management personnel remuneration and policies are detailed in the Remuneration Report contained within the Directors' Report.

(b) Option holding by Key Management Personnel

	Balance 1/7/2007	Granted as Compensation No.	Exercise of options No.	Balance 30/6/2008 No.	Vested but not exercisable No.	Vested and exercisable No.
Mr T Eadie	1,750,000	-	-	1,750,000	-	1,750,000
Mr R Potts	-	300,000	-	300,000	-	300,000
Mr P Topham	-	-	-	-	-	-
Mr D Ogg	450,000	-	(450,000)	-	-	-
Mr T Lees	875,000	-	(200,000)	675,000	-	675,000
Mr P Buckle	300,000	-	-	300,000	-	300,000
	3,375,000	300,000	(650,000)	3,025,000	-	3,025,000

	Balance 1/7/2006	Granted as Compensation No.	Exercise of options Other No.	Net change Other (3) No.	Balance 30/6/2007 No.	Vested but not exercisable No.	Vested and exercisable No.
Mr T Eadie	1,750,000	-	-	-	1,750,000	-	1,750,000
Mr R Potts ⁽¹⁾	-	-	-	-	-	-	-
Mr N McLean ⁽²⁾	875,000	-	-	(875,000)	-	-	-
Mr P Topham	-	-	-	-	-	-	-
Mr D Ogg	700,000	-	(250,000)	-	450,000	-	450,000
Mr T Lees	875,000	-	-	-	875,000	-	875,000
Mr P Buckle	-	300,000	-	-	300,000	-	300,000
	3,325,000	300,000	(250,000)	(875,000)	3,375,000	-	3,375,000

(1) Appointed as a director 6 February 2007.

(2) Resigned as a director 6 February 2007.

(3) "Net Change Other" refers to securities purchased or sold during the year under normal marked conditions and Directors who have resigned during the year and no longer require disclosure.

(c) Share holdings by Key Management Personnel

	Balance 1/7/2007 No.	Received as Compensation No.	Options Exercise No.	Net Change Other (1) No.	Balance 30/06/2008 No.
Mr T Eadie	1,800,000	-	-	85,714	1,885,714
Mr R Potts	-	-	-	-	-
Mr P Topham	875,000	-	-	(375,000)	500,000
Mr D Ogg	1,050,000	-	450,000	(415,000)	1,085,000
Mr T Lees	31,886	-	200,000	10,000	241,886
Mr P Buckle	-	-	-	-	-
	3,756,886	-	650,000	(694,286)	3,712,600

(1) "Net Change Other" refers to securities purchased or sold during the year under normal marked.

5. KEY MANAGEMENT PERSONNEL (Continued)

	Balance 1/07/2006	Received as Compensation	Options Exercised	Net Change Other (3)	Balance 30/06/2007
Mr T Eadie	1,800,000	-	-	-	1,800,000
Mr R Potts ⁽¹⁾	-	-	-	-	-
Mr N McLean ⁽²⁾	5,250,000	-	-	(5,250,000)	-
Mr P Topham	875,000	-	-	-	875,000
Mr D Ogg	1,050,000	-	-	-	1,050,000
Mr T Lees	31,886	-	-	-	31,886
Mr P Buckle	-	-	-	-	-
	9,006,886	-	-	(5,250,000)	3,756,886

(1) Appointed as a director 6 February 2007.

(2) Resigned as a director 6 February 2007.

(3) "Net Change Other" refers to securities purchased or sold during the year under normal marked conditions and Directors who have resigned during the year and no longer require disclosure.

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
6. AUDITORS REMUNERATION				
Auditor				
Leydin Freyer Corporate				
Auditing or reviewing the financial report	22,500	22,500	22,500	22,500
Taxation services	-	800	-	800
	22,500	23,300	22,500	23,300
7. TRADE AND OTHER RECEIVABLES				
GST receivable	269,994	165,501	269,994	165,501
Other receivables	25,943	7,726	25,943	7,726
	295,937	173,227	295,937	173,227

(a) The average credit period on trade and other receivables is 30 days. No interest is charged on the receivables. The Consolidated Entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

(b) Due to the short term nature of these receivables, their carrying value is assumed to be approximate their fair value.

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
8 OTHER FINANCIAL ASSETS				
<i>Investments carried at cost</i>				
Non-current				
Investments in subsidiaries	-	-	102	1,800,103
<i>Financial Assets carried at fair value through profit or loss</i>				
Current				
Shares in listed corporations	810,000	821,320	810,000	821,320
Current				
Loans to Subsidiaries	-	-	5,045	6,713
	810,000	821,320	815,147	2,628,136
Disclosed in the financial statements as:				
Current other financial assets	810,000	821,320	815,147	828,033
Non-current other financial assets	-	-	-	1,800,103
	810,000	821,320	815,147	2,628,136
9. OTHER CURRENT ASSETS				
Deposits paid	-	2,580	-	2,580
10. PLANT AND EQUIPMENT				
Plant and equipment - at cost	73,144	63,391	73,144	63,391
Less: Accumulated Depreciation	(23,637)	(6,291)	(23,637)	(6,291)
	49,507	57,100	49,507	57,100
<i>Reconciliation of plant and equipment</i>				
Carrying amount at beginning of the year	57,100	10,573	57,100	10,573
Additions	9,752	56,263	9,752	56,263
Depreciation expense	(17,345)	(2,701)	(17,345)	(2,701)
Transfer to intangible assets	-	(7,035)	-	(7,035)
Carrying amount at end of the year	49,507	57,100	49,507	57,100

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
11. INTANGIBLES				
Software	37,408	26,309	37,408	26,309
Less: Accumulated amortisation	(21,218)	(8,945)	(21,218)	(8,945)
	16,190	17,364	16,190	17,364
<i>Reconciliation of Intangibles</i>				
Carrying amount at beginning of the year	17,364	-	17,364	-
Additions	11,100	15,071	11,100	15,071
Transfers from plant equipment	-	7,035	-	7,035
Amortisation expense	(12,274)	(4,742)	(12,274)	(4,742)
Carrying amount at end of the year	16,190	17,364	16,190	17,364

12. OTHER NON-CURRENT ASSETS				
Deposits paid	12,354	-	12,354	-
Costs carried forward in respect of areas of interest in exploration and evaluation phase	13,783,351	8,112,090	13,778,306	8,077,705
	13,795,705	8,112,090	13,790,660	8,077,705
<i>Reconciliation of deferred exploration and evaluation costs</i>				
Balance at beginning of year	8,112,090	4,902,011	8,077,705	4,896,966
Current year expenditure	5,721,928	3,619,587	5,751,268	3,619,587
Write-off during the year	(50,667)	(231,954)	(50,667)	(231,954)
Sale of tenements	-	(177,554)	-	(206,894)
Balance at end of year	13,783,351	8,112,090	13,778,306	8,077,705

Recoverability of the carrying amount of exploration assets is dependent upon the successful exploration and sale of resources. Capitalised cost of \$5,721,928 (2007: \$3,619,587) have been included in cash flows from investing activities in the cash flow statement.

13. TRADE AND OTHER PAYABLES				
Current				
Unsecured liabilities				
Trade Creditors and accruals	917,838	297,780	917,838	297,780
Loans from other related parties (a)	325	200,000	325	-
	918,163	497,780	918,163	297,780

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
14. PROVISIONS				
Current				
Employee Entitlements (a)	66,662	73,620	66,662	73,620
Non- Current				
Employee Entitlements (a)	19,614	12,883	19,614	12,883
Provision for restoration (b)	80,000	80,000	80,000	80,000
	99,614	92,883	99,614	92,883

- (a) A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of the future cash flows in respect of the long service leave, the probability of long service leave taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of this report.
- (b) The provision for restoration represents the present value of director's best estimate of the costs to be incurred for the restoration of the site used for exploration.

15. CONTRIBUTED EQUITY				
91,420,511 (2007: 69,343,000) fully paid ordinary shares	22,556,211	13,037,975	22,556,211	13,037,975

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Changes to the corporations' law abolished the authorised capital and par value concept in relation to the Share Capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

	Shares	\$
(a) Movements in ordinary share capital of the Company were as follows:		
Fully paid ordinary shares		
Balance at 1 July 2006	59,320,000	9,219,331
Issue of fully paid ordinary shares	8,898,000	3,677,840
Exercise of options	1,125,000	243,750
Less costs of capital raising		(102,946)
Balance at 30 June 2007	69,343,000	13,037,975
Balance at 1 July 2007	69,343,000	13,037,975
Issue of shares	21,427,571	9,856,683
Exercise of options	650,000	155,000
Less capital cost of raising	-	(493,447)
Balance at 30 June 2008	91,420,571	22,556,211

(b) Terms and Conditions of Issued Capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

15. CONTRIBUTED EQUITY (Continued)

(c) Options

Copper Strike Limited has the following unlisted options on issue at 30 June 2008:

2,000,000 options at an exercise price of \$0.20 exercisable on or before 31/10/2009

1,300,000 options at an exercise price of \$0.25 exercisable on or before 31/10/2010

600,000 options at an exercise price of \$0.30 exercisable on or before 31/10/2010

300,000 options at an exercise price of \$0.40 exercisable on or before 31/10/2010

	2008 No.	2007 No.
Balance at beginning of the financial period	4,250,000	4,825,000
Granted during the financial period	600,000	300,000
Exercised during the financial period	(650,000)	(875,000)
Lapsed during the financial period	-	-
Balance at end of the financial period	4,200,000	4,250,000

Directors options

Options granted to Directors or their nominees are disclose in the Remuneration Report.

16. RESERVES

Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

During the year the following options were granted for Directors, executives and key management personnel:

- 300,000 options to Directors valued at \$0.19130 per option.
- 300,000 options to consultants valued at \$0.16450 per option.

Details of the option valuations are included in Note 24.

Movements in Reserves is detailed in the "Statement of Changes in Equity"

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
17. 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	2,637,916	1,635,000	2,637,916	1,270,000
Later than one year but not later than five	7,636,666	4,695,000	7,636,666	1,995,000
Later than five years	-	-	-	-
	10,274,582	6,330,000	10,274,582	3,265,000
Operating Rental Leases– Commitments for Expenditure				
Not later than one year	78,909	75,874	78,909	75,874
Later than one year but not later than five	67,935	146,844	67,935	146,844
Later than five years	-	-	-	-
	146,844	222,718	146,844	222,718

18. SEGMENT REPORTING

The Company operated predominately as an explorer for base and precious metals, within Australia.

19. RELATED PARTY DISCLOSURES

Key Management Personnel Compensation

Details of key management compensation are disclosed in the Remuneration Report.

Transactions with Key Management Personnel

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 entities, Sherwood Ventures Pty Ltd, Einasleigh Mining Pty Ltd and Syrah Resources Limited. Syrah Resources Limited ceased being a controlled Company on 10 September 2007.

Aggregate amounts receivable from these entities is included in Note 8.

Transactions with Director Related Entities

- Royalco Resources Limited, a Company associated with Mr Peter Topham, Mr David Ogg and Mr Tom Eadie:
 - paid rent of \$21,420 (2007: \$19,951) under a sub-lease agreement which commenced in August 2005;
 - is a party to 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.
- Inkprintz Pty Ltd, a Company associated with Mr Tom Eadie, received fees of \$44,200 (2007: \$37,895) for geological mapping and interpretation services.
- Dick Potts & Associates Pty Ltd, a Company associated with Richard Potts received fees of \$38,626 for director services. (This has been included in the Remuneration Report)
- Syrah Resources Limited, a Company associated with Mr Tom Eadie paid rent of \$9,936 under a sub-lease agreement.
- The Company has a loan payable of \$325 to Syrah Resources Limited, a Company associated with Mr Tom Eadie (Note 13).

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
20. NOTES TO THE STATEMENT OF CASH FLOWS				
(a) Reconciliation of Cash and Cash Equivalents				
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:				
Cash and cash equivalents	6,428,550	2,422,357	6,428,448	2,222,254
(b) Reconciliation of Net Profit/(Loss) From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities				
Operating Profit/(Loss) after income tax	(255,281)	(627,965)	(2,027,609)	1,144,363
Non-Cash Activities:				
Share based payments	106,740	211,023	106,740	211,023
Depreciation	29,619	7,443	29,619	7,443
Exploration cost written off	50,667	231,954	50,667	231,954
Employee entitlements	25,231	30,945	25,231	30,945
Profit on sale of tenements	(150,000)	(647,195)	(150,000)	(2,417,855)
Profit on derecognition of subsidiary	(1,772,328)	-	-	-
Loss on sale of investments	395,890	6,688	395,890	6,688
Unrealised loss on fair value assets	990,001	63,441	990,001	63,441
Changes in net assets:				
(Increase)/Decrease in receivables	(24,441)	(75,708)	(24,441)	(75,708)
Increase in payables	486,884	193,948	486,884	193,948
Net Cash used in operating activities	(117,018)	(605,426)	(117,018)	(603,758)
(c) Financing Facilities				
The Company currently has a financial guarantee facility in place:				
Total Facility	327,500	327,500	327,500	327,500
Amount Utilised	(66,448)	(71,448)	(66,448)	(71,448)
	261,052	256,052	261,052	256,052

(d) Non cash financing and Investing Activities

There were no non-cash financing or investing activities during the year.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and cash equivalents and investments in listed corporations.

The main purpose of these financial instruments is to finance the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the consolidated entity's financial instruments are market risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk other than interest rate risk.

(a) Cash flow interest rate risk

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

The following tables set out the carrying amount by maturity of the parent entity and consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

Consolidated Entity

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity			
								-10%		+10%	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets											
Cash at bank	20	6,428,000	2,421,807	550	550	6,428,550	2,422,357	(43,196)	(13,199)	43,196	13,199
Trade and other receivables	7	-	-	295,937	173,227	295,937	173,227	-	-	-	-
Deposits Paid	12	-	-	12,354	2,580	12,354	2,580	-	-	-	-
Total		6,428,000	2,421,807	308,841	176,357	6,736,841	2,598,164	(43,196)	(13,199)	43,196	13,199
Weighted average interest rate		6.72%	5.45%								
Financial Liabilities											
Trade and other payables	13	-	-	918,163	497,780	918,163	497,780	-	-	-	-
Total		-	-	918,163	497,780	918,163	497,780	-	-	-	-
Weighted average interest rate		-	-								
Net Financial Assets (liabilities)		6,428,000	2,421,807	(609,322)	(321,423)	5,818,678	2,100,384	(43,196)	(13,199)	43,196	13,199

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Parent Company

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity			
								-10%		+10%	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets											
Cash at bank	20	6,428,000	2,221,806	448	448	6,428,448	2,222,254	(43,196)	(12,109)	43,196	12,109
Trade and other receivables	7	-	-	295,937	173,227	295,937	173,227	-	-	-	-
Deposits Paid	12	-	-	12,354	2,580	12,354	2,580	-	-	-	-
Total		6,428,000	2,221,806	308,739	176,255	6,736,739	2,398,061	(43,196)	(12,109)	43,196	12,109
Weighted average interest rate		6.72%	5.45%								
Financial Liabilities											
Trade and other payables	13	-	-	918,163	297,780	918,163	297,780	-	-	-	-
Total		-	-	918,163	297,780	918,163	297,780	-	-	-	-
Weighted average interest rate											
Net Financial Assets (liabilities)											
		6,428,000	2,221,806	(609,424)	(321,525)	5,818,576	2,100,281	(43,196)	(12,109)	43,196	12,109

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A 10% sensitivity would move short term interest rates at 30 June 2008 from 6.72% to 7.40% representing a 68 basis points shift. This would represent two to three increases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to move up than down in the coming period.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(b) Price risk

The Group is exposed to equity securities price risk. This arises from investments held and classified on the balance sheet at fair value through profit and loss. The listed investments are traded on the ASX.

The following table sets out the carrying amount of the consolidated and parent entity's exposure to equity securities price risk on fair value through profit and loss investments. Also included is the effect on profit and equity before tax if these prices at that date had been 50% higher or lower with all other variables held constant as a sensitivity analysis.

A sensitivity of 50% has been selected as this is considered reasonable given the current and recent trending and volatilities of both Australian and International stock markets.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
Listed Securities – Equities	810,000	821,320	810,000	821,320
Market Price +50%				
- Profit	405,000	410,660	405,000	821,320
- Equity	405,000	410,660	405,000	821,320
Market Price -50%				
- Profit	(405,000)	(410,660)	(405,000)	(410,660)
- Equity	(405,000)	(410,660)	(405,000)	(410,660)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet debt requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company aims at maintaining flexibility in funding by having in place operational plans to source further capital as required.

Liquidity risk is measured using liquidity ratios such as working capital as follows:

	Consolidated 30 June 2008	Consolidated 30 June 2007
Current Assets	7,534,487	3,419,484
Current Liabilities	984,825	571,400
Surplus/(Deficit)	6,549,662	2,848,084

Financial Liabilities

The following table the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities.

	Consolidated Entity		Parent Company	
	2008 \$	2007 \$	2008 \$	2007 \$
Contracted maturities of payables year ended 30 June 2008:	810,000	821,320	810,000	821,320
Payable:				
-less than 6 months	918,163	497,780	918,163	297,780
-6 to 12 months	-	-	-	-
-1 to 5 years	-	-	-	-
-later than 5 years	-	-	-	-
Total	918,163	497,780	918,163	297,780

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

(c) Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where carrying amount exceeds net fair values at balance date.

The Company's receivables at balance date are detailed in Note 7 and comprise primarily interest receivable and from GST input tax credits refundable by the ATO.

The credit risk on financial assets of the Company which have been recognised on the Balance Sheet is generally the carrying amount.

(d) Capital Risk Management

When managing capital, management's objectives is to ensure the Company continues as a going concern as well as to maintain optimal returns to share-holders and benefits for other stakeholders. Management also maintain a capital structure that ensures the lowest cost of capital available to the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares, enter into joint ventures or sell shares.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2007 and no dividends are expected to be paid in 2008.

There is no current intention to incur debt funding on behalf of the Company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a quarterly basis.

	2008 Cents Per Share	2007 Cents Per Share
22. (LOSS) PER SHARE		
Basic (loss) per share	(0.31)	(1.00)
Diluted (loss) per share	(0.29)	(1.00)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic (loss) EPS	82,756,109	62,823,786
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	87,179,604	67,864,814

Name of Company	Country of Incorporation	Ownership Interest	
		2008 %	2007 %
23. SUBSIDIARIES			
Parent Company			
Copper Strike Limited	Australia		
Subsidiaries			
Einasleigh Mining Pty Ltd	Australia	100	100
Sherwood Ventures Pty Ltd	Australia	100	100
Syrah Resources Limited*	Australia	30	100

* *Syrah Resources Limited listed on the ASX during the financial year. Copper Strike Limited no longer holds a controlling interest. Syrah is not included as part of the consolidated entity accounts at 30 June 2008.*

24. SHARE BASED PAYMENTS

During the year the Company issued 300,000 options to Directors, exercisable at \$0.30 and expiring 31 October 2010. The options having been valued using the Black Scholes methodology at \$0.19130. The following variables were used in this calculation:

Share Price	\$0.35
Risk free interest rate	6.4%
Volatility	78%
Maturity	2.5 years

During the year the Company issued 300,000 options to consultants, exercisable at \$0.40 and expiring 31 October 2010. The options having been valued using the Black Scholes methodology at \$0.16450. The following variables were used in this calculation:

Share Price	\$0.35
Risk free interest rate	6.4%
Volatility	78%
Maturity	2.5 years

25. AFTER BALANCE DATE EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Shareholder Information

The shareholder information set out below was applicable as at 8 September 2008.

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	121	68,484	0.08
1001 – 5000	519	1,668,274	1.83
5001 – 10000	418	3,493,432	3.82
10001- 100000	860	28,747,077	31.44
100001 and over	120	57,443,304	62.83
Total	2,038	91,420,571	100.00

(b) There are 391 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	9.43
J P Morgan Nominees Australia Limited	4,625,032	5.06
National Nominees Limited	3,966,046	4.34
Maminda Pty Ltd	3,012,965	3.30
Merrill Lynch Australia Nominees Pty Ltd <Berndale A/C>	2,492,483	2.73
ANZ Nominees Limited <Cash Income A/C>	1,948,400	2.13
Arinya Investments Pty Limited	1,777,001	1.94
Fundhost Ltd	1,250,000	1.37
Citicorp Nominees Pty Limited <Cwlth Bank Off Super A/C>	1,238,719	1.35
Lord G F + N K + Peck R C	1,056,726	1.16
Arinya Investments Pty Limited	1,014,315	1.11
Mediflex Industries Pty Ltd	901,926	0.99
Sam Gouloupoulos Pty Ltd	700,000	0.77
Ernest Thomas Eadie	685,714	0.75
Drill Investments Pty Ltd <The Drill Family A/C>	650,000	0.71
Ernest Thomas Eadie <Super Fund A/C>	600,000	0.66
Arnot C R + Byrne K L	600,000	0.66
Miculis Eugene Jeffrey	600,000	0.66
Arinya Investments Pty Limited <Super Fund A/C>	571,428	0.63
Vortex Basketball Australia Pty Ltd <Goninon Inv A/C>	513,000	0.56
Total	36,828,755	40.31

3. Restricted Securities

As at 8 September 2008, the Company had no securities subject to escrow.

4. Substantial Shareholders

As at 8 September 2008 the substantial shareholders were as follows:

Name of Shareholder	Number of shares	% of Capital
Teck Cominco Australia Pty Ltd	8,625,000	9.43
Acorn Capital Ltd	5,832,000	6.38

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.

Corporate Governance Statement

The Board of Directors ("the Board") of Copper Strike Limited ("the Company") supports the establishment and ongoing development of good corporate governance policies, that are compatible with the Company's size and which ensure an appropriate level of accountability to shareholders and other stakeholders.

A description of the Company's main corporate governance practices is set out below. It is also accessible at the Company's website – www.copperstrike.com.au under the "Corporate" tag which has a sub heading for corporate governance. In August 2007, the ASX issued a revised set of corporate governance principles and recommendations intended to take effect from 1 January 2008. Copper Strike has elected to adopt these recommendations early for the purposes of reporting in the current period.

The recommendations are not prescriptions and are intended as guidelines only. The Board has sought to apply the revised recommendations to the extent relevant to the Company's size and scale of operations.

Recommendation 1.1: Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

Two full time managers are employed to handle specific roles; Exploration Manager and Chief Geologist – Einasleigh. The functions specifically reserved for the full Board are as follows:

- a) Setting and monitoring of objectives, goals and strategic direction with a view to maximising shareholder value, consistent with ethical behaviour and acceptable risk parameters;
- b) Approving budgets and monitoring financial performance;
- c) Identifying significant business risks and ensuring that these are appropriately managed;
- d) Approval of any significant asset acquisitions or disposals;
- e) Selection and appointment of new Directors; and
- f) Appointment and removal of the Chairman.

Recommendation 1.2: Disclose the process for evaluating the performance of senior executives.

The performance of all Directors, and senior executives is reviewed at least annually. The Board evaluates the performance of the Chairman and any other senior executives having regard to such things as:

- a) The responsibilities of the executive;
- b) Performance against budget;
- c) Any communicated key performance indicators; and
- d) Qualitative as well as quantitative measures.

No director or senior executive is involved with his or her own evaluation, and the remainder of the Board evaluates such parties without such parties being present.

A review of the performance of the Board, its Directors and senior executives was carried out in August 2008, and was undertaken in accordance with the above policy.

Recommendation 2.1: A majority of the Board should be independent Directors.

The Company does not currently have a majority of non-executive independent Directors.

Due to the Company's size and its specialised operations, the Board considers that a majority of independent Directors is not currently warranted. As the Company's activities expand, this policy will be reviewed, with a view to aligning the Company's policies to conformity with this recommendation. The Board recognises that Directors remain in office for the benefit of and are accountable to shareholders and that shareholders have the voting power to elect members to the Board regardless of their standing, independent or otherwise.

The effectiveness of the Board is achieved through the Directors' knowledge and experience specific to the business and the industry in which the Company operates. Any director may seek their own independent legal advice at the Company's expense to assist them in the performance of their duties to the Company and the shareholders.

Recommendation 2.2: The Chairperson should be an independent director.

Mr Tom Eadie, the Executive Chairman, is not an independent director. Whilst the Board recognises that it is desirable for the Chairman to be an independent director, the Company's current early stage of development and size dictate that this is the most efficient mode of operation at the current time. The Board will review the appointment of an independent Chairperson should the Company's size and growth warrant this.

Recommendation 2.3: The roles of Chair and Chief Executive Officer should not be exercised by the same individual.

As noted, Mr Tom Eadie is the Executive Chairman of the Company. For similar reasons expressed in relation to recommendation 2.2, the existing arrangement is the most efficient mode of operation at the current time for the Company's early stage of development and size. The Board will review the appointment of a separate Chairperson should the Company's size and growth warrant this.

Recommendation 2.4: The Board should establish a nomination committee.

The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors and the identification of attributes required in new Directors. The Board as a whole also reviews Board succession plans, appointment and re-election of Directors and the process for evaluation of the performance of the Board, its members and senior executives (as outlined under recommendation 1.2). Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.

Should the Company's activities increase in size, scope and nature, the appointment of a nomination committee will be reviewed by the Board and implemented if appropriate.

Recommendation 2.5: Disclose the process for evaluating the performance of the Board, its committees and individual Directors.

See the comments under recommendation 1.2 above.

Recommendation 3.1: Establish a code of conduct and disclose the code or a summary of the code as to:

- the practises necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company has adopted a Corporate Code of Conduct, and a Code of Conduct for executives, which can be accessed at the Company's website at www.copperstrike.com.au under the "Corporate" tag which has the appropriate sub headings.

Recommendation 3.2: Establish a policy concerning trading in Company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Company has adopted a Trading Policy which can be assessed at www.copperstrike.com.au under the "Corporate" tag which has the appropriate sub heading.

Recommendation 4.1: The Board should establish an Audit Committee.

The Board considers that the Company is not currently of a size to justify the formation of an Audit Committee and instead these functions are performed by the whole Board. All items that would normally be dealt with by an Audit Committee are dealt with at Board meetings. Such matters include:

- a) Establishment and review of internal control frameworks within the Company;
- b) Review of the financial statements, annual report and any other financial information distributed to shareholders or other external stakeholders;
- c) Review of audit reports and any correspondence from auditors, including comments on the Company's internal controls;
- d) Nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual audit and half year review; and
- e) Monitoring compliance with the Corporations Act, ASX listing Rules and any other regulatory requirements.

Recommendation 4.2: The Audit Committee should be structured so that:

- it consists only of non-executive Directors;
- consists of a majority of independent Directors;
- is chaired by an independent Chairperson, who is not Chairperson of the Board;
- has at least three members

See comments under recommendation 4.1 above.

Recommendation 4.3: The Audit Committee should have a formal charter.

See comments under recommendation 4.1 above

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has adopted a continuous disclosure policy that requires all Directors, officers and executives to inform the Executive Chairman, or in his absence the Company Secretary, of any potentially material information as soon as practicable after they become aware of that information. The Company does not currently have a formal written policy in place, but instead relies on the extensive experience of the Board and senior management to ensure ongoing compliance.

Recommendation 6.1: Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.

The Company has a disclosed policy for effective communication with shareholders which is available at the corporate governance statement on the Company's website at www.copperstrike.com.au under the "Corporate" tag which has the appropriate sub heading.

Recommendation 7.1: Establish policies for the oversight and management of material business risk and disclose a summary of those policies.

The Company has established policies for the oversight and management of material business risks which is available at the corporate governance statement on the Company's website at www.copperstrike.com.au. under the "Corporate" tag which has the appropriate sub heading.

Recommendation 7.2: The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

Management has not formally reported to the Board as to the effectiveness of the Company's management of its material business risks. All business risks are the responsibility of the Board, and the Board believes the risk management and internal control systems designed and implemented by the Directors and the Chief Financial Officer are adequate given the size and nature of the Company's activities. The Board requests management to report informally on risk management and internal control, and to highlight any additional risks that may have been identified, as well as reporting on matters that may have arisen from the Company's internal control procedures. The Company intends to develop the risk reporting framework into a detailed policy as its operations continue to grow.

Recommendation 7.3: The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board receives such assurances prior to the release of the Company's full year and half year accounts.

Recommendation 8.1: The Board should establish a remuneration committee.

The Board considers that, based on the Company's stage of development, no benefits or efficiencies are to be gained by delegating this function to a separate committee. The process for evaluating both executives and Directors remuneration is explained under recommendation 1.2 above. There are no schemes for retirement benefits, other than superannuation for Directors.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors.

The structure of executive and non-executive Directors' remuneration is detailed in the remuneration report, which forms part of the Directors' Report in the annual report.

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