



18 January 2021

QUARTERLY REPORT ON ACTIVITIES October to December 2020

Overview

Copper Strike Limited (“**Copper Strike**” or the “**Company**”) is pleased to provide an update on its activities for the quarter ending 31 December 2020.

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

Copper Strike currently has no exploration interests.

Corporate Activities

As at 31 December 2020 Copper Strike owns 9.14 million shares in Syrah Resources Limited.

The Board continues to review potential opportunities in the materials sector and will provide a further update to the market in due course.

Board Changes

On 25 November 2020, the Company announced changes to the Board of Directors which included the appointment of Mr Mark Hanlon and Mr Anthony McIntosh as Directors, as well as the resignation of Mr Tim Staermose and Mr Tolga Kumova.

Listing Rule 12.1

As announced on 11 December 2020, the Company was advised by ASX, that in their opinion, Copper Strike’s current operations are not sufficient to warrant the continued quotation of its securities.

The ASX has stated that it will afford the Company until 9 June 2021 to demonstrate to ASX that Copper Strike is compliant with Listing Rule 12.1. If the Company does not demonstrate compliance with this rule to ASX’s satisfaction by 9 June 2021, ASX may suspend the Company’s securities from official quotation.

Syrah Shareholding

On 10 December 2020, Syrah announced the execution of a convertible note deed and fully underwritten institutional placement to raise a total of A\$112 million (US\$83 million). In addition, Syrah announced that it is offering a Share Purchase Plan to eligible shareholders to raise up to an additional A\$12 million (US\$9 million) (collectively, the “**Capital Raising**”).

The proceeds of the Capital Raising will be used to:

- Progress Syrah’s natural graphite Active Anode Material (“**AAM**”) facility in Vidalia, Louisiana, USA (“**Vidalia**”) towards a final investment decision during 2H 2020 for the construction of a



10ktpa AAM plant, subject to end customer commitments or strategic / financial partnerships; and

- Provide additional liquidity to manage a restart decision at Balama Graphite Project (“**Balama**”) in an orderly manner, subject to market demand conditions, as well as providing funds for general corporate purposes.

Syrah also announced on 1 December 2020, the completion of a BFS for expansion of its natural graphite AAM facility in Vidalia, Louisiana, USA (“Vidalia”) as it continues to execute its strategy of becoming the first vertically integrated producer of natural graphite AAM outside of China.

The highlights from this announcement included:

- Bankable Feasibility Study (“BFS”) confirms strong business case for Syrah’s natural graphite Active Anode Material (“AAM”) production at Vidalia facility in USA.
- Completion of BFS allows commercial discussions for project development to progress with potential offtake partners and financiers.
- Syrah has commenced Front End Engineering and Design (“FEED”) for an initial 10ktpa AAM facility at Vidalia in Q1 2021, with Detailed Design to follow.
- The BFS also considers a 40ktpa AAM production scenario in preparedness for expansion beyond 10ktpa and to assess the economic benefits of scaling production.
- Syrah continues to progress qualification activities via toll treatment of purified spherical graphite (anode precursor) to AAM for testing with interested customers.
- Syrah is on track to become the first commercial vertically integrated producer of natural graphite AAM outside of China, serving the growing US and European markets.

Administration

As at 31 December 2020, Copper Strike had approximately \$125k in cash and cash equivalents. Copper Strike’s operating expenditure for the quarter amounted to \$107k.

Payments to related parties and their associates during the quarter was \$52k, as outlined in Section 6 of the accompanying Appendix 5B. These payments are related to former and current Directors fees and superannuation paid during the December 2020 quarter.

-Ends-

This announcement was authorised for release by the Copper Strike Board of Directors.

For further information please contact:

Mark Hanlon
Non-Executive Chairman
+61 3 9692 7222

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

COPPER STRIKE LIMITED

ABN

16 108 398 983

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(52)	(68)
(e) administration and corporate costs	(55)	(128)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(107)	(196)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	232	321
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(107)	(196)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	125	125

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	125	232
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	125	232

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	52
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(107)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(107)
8.4 Cash and cash equivalents at quarter end (item 4.6)	125
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	125
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.17
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes, the entity expects that it will continue to have the current level of net operating cash flows for the time being.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, Copper Strike has a listed investment on its balance sheet and has the option to liquidate this investment in a short time frame in order to provide further funding for the Company. The value of this investment as at 31 December 2020 was approximately \$8.8 million. The Directors are confident that sufficient funds can be secured if required by a combination of capital raising and/or sales of financial assets.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding in the future as described in answer to question 8.8.2 above.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 18 January 2021.....

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.