



31 January 2022

QUARTERLY REPORT ON ACTIVITIES October to December 2021

Overview

Copper Strike Limited (“**Copper Strike**” or the “**Company**”) is pleased to provide an update on its activities for the quarter ending 31 December 2021.

Copper Strike is currently actively seeking project acquisition opportunities.

Corporate Activities

As at 31 December 2021 Copper Strike owns 9.14 million shares in Syrah Resources Limited.

Since the approach from the ASX over 12 months ago where ASX advised, that in their opinion, Copper Strike’s current operations are not sufficient to warrant the continued quotation of its securities, the Company has reviewed a number of different projects in the Materials, Financial and Technology sectors. Acquiring a project is not necessarily a straightforward task. The Board is focused on finding a project that will add value to the share price as we go forward. The directors are also shareholders and strongly believe that the best outcome for Copper Strike will be finding an opportunity that has the potential to provide an appropriate level of upside from a growth perspective.

To date, the Board has reviewed a number of different projects in the Materials space. Some of these were located overseas and others within Australia. Many of these were not advanced enough for the Company to take further, others had technical issues that reduced their attractiveness, while others were in jurisdictions that prevented due diligence due to the impacts of COVID-19 lockouts and lockdowns.

In addition to the Materials space, the Board has reviewed a number of opportunities in the Financial and Technology space. Some of these have significant future potential however are not of an appropriate size for Copper Strike to progress, while others have vendor expectations of value that we believe will not offer Copper Strike shareholders sufficient upside through any potential transaction.

The directors currently believe that the Company’s future lies within the Materials sector and is continuing to review opportunities in that space. As a result, the Company terminated the engagement with EM Advisory Pty Ltd who have specific expertise in the non-Materials sector. EM Advisory were assisting the Company’s strategic decision making and due diligence processes.

The Company will keep shareholders informed of progress and will make an appropriate announcement when we are able.

Annual General Meeting

The Company held its Annual General Meeting on 8 December 2021, in which all resolutions were carried. The resolutions included the adoption of the remuneration report, election of directors, ratification of securities previously issued, grant of performance rights to directors in lieu of increasing



existing cash base fees which are currently below market rates, and in recognition of additional services provided to the Company over the last 12 months, amendments to the Constitution, and approval of the 10% Placement Facility.

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 originally 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. ASX subsequently extended the deadline, as announced on 1 June 2021 and 8 July 2021. The Company applied for a further extension of time beyond 9 August 2021, in order to complete an appropriate acquisition. ASX advised the Company that they will respond to the Company's request for an extension in due course, and in the interim will not suspend the Company at the current time.

Current Investments

Syrah Resources Limited

Highlights from its Quarterly Activities Report for the period ended 31 December 2021:

- Sustained demand growth for natural graphite end uses, with global EV sales up 115% in 2021, versus 2020, to approximately 6.2 million units¹ and Chinese anode production increasing to 70kt in December 2021²
- December 2021 quarter production and sales constrained by container shipping market disruption – additional breakbulk shipment option expected to materially improve production and sales from the March 2022 quarter
- 13kt natural graphite produced at 82% recovery and 19kt sold and shipped during the quarter
- Product quality consistent with previous quarters with stable recovery and grade – 89% recovery achieved in the December 2021 month
- Balama C1 cash costs (FOB Nacala) of US\$1,159 per tonne for the quarter – Balama C1 cash costs (FOB Nacala) guidance is US\$430–470 per tonne at a 15kt per month production rate
- Weighted average sales price for the quarter increased to US\$530 per tonne (CIF), with very strong incremental demand and higher contracting prices
- Strong sales order book with more than 80kt of natural graphite sales orders for the March 2022 quarter, demonstrating robust underlying demand conditions
- First 10kt spot breakbulk shipment from Pemba port to China in February 2022, creating additional export option and significantly increasing Balama sales. Further breakbulk shipments are planned in the first half of 2022
- Offtake agreement executed with Tesla to supply 8ktpa active anode material from Vidalia at a fixed price for an initial term of four years³
- Detailed engineering on Vidalia's initial expansion is approximately 50% completed
- Well progressed in the processes to facilitate a final investment decision on the Vidalia Initial Expansion in the near-term



Unlisted Investments

As announced in the September 2021 quarterly activities report, the Company's investments in Verrency and ThinkMarkets were converted into ordinary equity from Convertible Notes and Convertible Preference Shares (respectively).

ThinkMarkets is presently undertaking a pre-IPO funding round in order to deliver growth capital into the business ahead of a proposed North American or European stock market listing in 2022.

Verrency continues to broaden its customer base and recently finalized additional funding to grow the business.

Administration

As at 31 December 2021, Copper Strike had approximately \$633,000 in cash and cash equivalents. Copper Strike's operating expenditure for the quarter amounted to \$309,000.

Payments to related parties and their associates during the quarter was \$36,000, as outlined in Section 6 of the accompanying Appendix 5B. These payments are related to Directors fees and superannuation paid during the December 2021 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 2021

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	(36)	(72)
(e) administration and corporate costs	(273)	(444)
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	(309)	(516)
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	942	1,149
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(309)	(516)
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	633	633

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	633	942
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)	633	942

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	36
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)	(309)
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)	(309)
8.4 Cash and cash equivalents at quarter end (item 4.6)	633
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	633
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.05
<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: N/A	
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: N/A	
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: N/A	

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: 31 January 2022.....

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.