



Half-Year Report

For the half-year ended 31 December 2023



Corporate Information

Directors

Mr Brendan Jesser – Non-Executive Director

Mr Keith Bowes – Non-Executive Director

Mr Adam Kiley – Non-Executive Director

Company Secretary

Mr Chris Bath

Registered Office and Principal Place of Business

Level 20

140 St Georges Terrace

Perth WA 6000

Tel: +61 8 9200 3429

Share Registry

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

Tel: 1300 288 664

Auditors

William Buck

Level 20, 181 William Street

Melbourne Victoria 3000

Tel: +61 3 9824 8555

Website

www.copperstrike.com.au

Securities Exchange Listing

Australian Securities Exchange - code CSE

Shares are currently suspended.

Copper Strike Ltd

ABN 16 108 398 983



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The directors present their report, together with the financial statements, on the Company for the six months ended 31 December 2023.

Directors

The following persons were directors of the Company during the period and up to the date of this report, unless otherwise stated:

Name	Date of appointment
Mr Brendan Jesser	6 June 2014
Mr Adam Kiley	21 October 2022
Mr Keith Bowes	6 December 2022

Principal activities

During the six months ended 31 December 2023, the principal activities of the Company consisted of continuing its strategy of actively seeking project acquisition opportunities across a range of commodities and sectors.

Review of the operations

The net profit after tax of the Company amounted to \$73,927 (31 December 2022: Loss of \$971,525).

Review of financial position

As at 31 December 2023, the net assets of the Company decreased to \$14,493,723 (30 June 2023: \$17,415,543), primarily due to the payment of a fully franked dividend in November 2023 of \$0.0223 per share which represented a total payment of \$3 million. The payment of the dividend also resulted in the Company's working capital decreasing to \$14,417,291 (30 June 2023: \$17,339,111).

The Company generated an interest income of \$418,687 during the six months period, which resulted in the Company making a net profit for the period.

The Company will continue to review potential project acquisition opportunities. The Company is in a strong financial position to progress an acquisition for when the right opportunity is presented,

Risks and uncertainties

The Company is continuing its strategy of actively seeking project acquisition opportunities across a range of commodities and sectors. The Company is in a strong financial position to progress with an acquisition when the right opportunity is presented, as it will likely mean less dilution to existing shareholders.

While the Company is actively pursuing potential new acquisitions, there can be no assurance that a suitable new business or asset will be identified and announced within the timeframe required, or at all, which may have an adverse impact on the Company's future revenues and its ability to remain trading on the ASX.

Material Risks

The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include:

- a) New projects risk – The Company is actively pursuing and assessing new business opportunities. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Company may need to raise additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain and there is no guarantee that any future acquisition will be successful.

- b) Future capital requirements – the ability to finance a project is dependent on the Company's existing financial position, the availability and cost of project financing and other debt markets and the ability to access equity markets to raise new capital. There can be no guarantees that when the Company seeks to implement financing strategies to pursue the development of a new project that suitable financing alternatives will be available and at a cost acceptable to the Company.
- c) Re-compliance with Chapters 1 and 2 of the Listing Rules - ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. Re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement poses a risk. The Company may not be able to satisfy one or more of these requirements and the Shares could consequently remain suspended from quotation or the Company could be delisted.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the six months ended 31 December 2023.

Matters subsequent to the end of the financial half-year

On 5 March 2024, the Company announced the payment of a fully franked dividend to shareholders of \$0.006 per share, together with a capital return of \$0.0685 per share. This represents a total cash return to shareholders of \$10 million. The payment of the capital return is subject to shareholders' approval.

Other than the above transaction, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "B Jesser", positioned above a horizontal line.

Mr Brendan Jesser
Non-Executive Director
8 March 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Copper Strike Limited

As lead auditor for the review of Copper Strike Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Copper Strike Limited during the period.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J. C. Luckins

Director

Melbourne, 8 March 2024



Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Notes	2023 \$	2022 \$
Income			
Interest income		418,687	61,751
Total income		418,687	61,751
Expenses			
Consultancy fees, including directors' fees		(148,050)	(81,700)
Fair value loss on investments		-	(389,752)
Share-based payments expense		(4,253)	(4,252)
Administration and corporate expenses		(159,453)	(223,157)
Finance costs		(909)	-
Net profit/(loss) before tax		106,022	(637,110)
Income tax expense		(32,095)	(334,415)
Net profit/(loss) after tax for the period attributable to the owners of the Company		73,927	(971,525)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of financial assets at fair value through other comprehensive income, net of tax		-	4,139,479
Other comprehensive income for the period, net of tax		-	4,139,479
Total comprehensive income for the period attributable to the owners of the Company		73,927	3,167,954
		Cents	Cents
Basic earnings/(loss) loss per share	8	0.06	(0.73)
Diluted earnings/(loss) per share	8	0.05	(0.73)

The above statement should be read in conjunction with the accompanying notes to the financial statement



Statement of financial position
As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	16,355,406	19,295,046
Other receivables	4	92,081	119,472
Prepayments		30,081	8,690
Total current assets		16,477,568	19,423,208
Non-current assets			
Deposits	4	76,432	76,432
Total non-current assets		76,432	76,432
Total assets		16,554,000	19,499,640
Liabilities			
Current liabilities			
Trade and other payables	5	35,146	91,062
Income tax payable		2,025,131	1,993,035
Total current and total liabilities		2,060,277	2,084,097
Net assets		14,493,723	17,415,543
Equity			
Issued capital	6	13,582,139	13,540,276
Reserves	7	321,853	359,463
Retained earnings		589,731	3,515,804
Total equity		14,493,723	17,415,543

The above statement should be read in conjunction with the accompanying notes to the financial statements.



Statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital	Share-based payment reserve	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at 1 July 2023	13,540,276	359,463	3,515,804	17,415,543
Net profit after income tax expense for the half-year	-	-	73,927	73,927
Other comprehensive income for the half year, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	73,927	73,927
Transactions with owners in their capacity as owners:				
Shares issued on exercise of performance rights (note 6)	41,863	(41,863)	-	-
Vesting of performance rights	-	4,253	-	4,253
Dividends paid	-	-	(3,000,000)	(3,000,000)
Balance at 31 December 2023	13,582,139	321,853	589,731	14,493,723

The above statement should be read in conjunction with the accompanying notes to the financial statements.



For the half-year ended 31 December 2022

	Issued capital	Financial asset reserve	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	13,456,550	3,351,724	444,182	(3,884,565)	13,367,891
Net loss after income tax expense for the half-year	-	-	-	(971,525)	(971,525)
Other comprehensive income for the half year, net of tax	-	4,139,479	-	-	4,139,479
Total comprehensive income/(loss) for the half-year	-	4,139,479	-	(971,525)	3,167,954
Transactions with owners in their capacity as owners:					
Shares issued on exercise of performance rights	83,726	-	(83,726)	-	-
Lapse of performance rights	-	-	(9,428)	9,428	-
Vesting of performance rights	-	-	4,252	-	4,252
Transfer of reserves to accumulated losses on disposals of financial assets through other comprehensive income	-	(1,337,658)	-	1,672,073	334,415
Balance at 31 December 2022	13,540,276	6,153,545	355,280	(3,174,589)	16,874,512

The above statement should be read in conjunction with the accompanying notes to the financial statements.



Statement of cash flows
For the half-year ended 31 December 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Payments to suppliers and employees	(378,504)	(375,599)
Interest received	438,864	49,604
Net cash from/(used in) operating activities	60,360	(325,995)
Cash flows from investing activities		
Proceeds from disposals of shares in Syrah Resources Limited	-	1,423,449
Net cash from investing activities	-	1,423,449
Cash flows from financing activities		
Payments of dividends	(3,000,000)	-
Net cash used in financing activities	(3,000,000)	-
Net (decrease)/increase in cash and cash equivalents	(2,939,640)	1,097,454
Cash and cash equivalents at the beginning of the period	19,295,046	6,058,563
Cash and cash equivalents at the end of the period	16,355,406	7,156,017

The above statement should be read in conjunction with the accompanying notes to the financial statements.

1. General Information

The financial statements of Copper Strike Limited (the Company) were authorised for issue in accordance with a resolution of the directors on 8 March 2024. The Company is a for-profit company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. However, trading is currently suspended.

The nature of the operations and principal activities of the Company are described in the Directors Report. The registered office is at Level 20, 140 St Georges Terrace, Perth WA 6000.

2. Material accounting policy information

(a) Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. These interim financial statements do not include all notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the financial statements contained within the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules. The accounting policies are consistent with those disclosed in the 30 June 2023 financial statements and the comparative half-year period except for the impact of new or amended standards and interpretations effective from 1 July 2023. The adoption of these standards and interpretations did not result in any significant changes to the Company's accounting policies. Any new, revised or amending Accounting Standards or interpretations that are not yet mandatory have not been adopted early.

The financial statements have been prepared on a historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted.

The interim financial statements comprise the financial results of the Company for the half-year ended 31 December 2023.

3. Cash and cash equivalents

	31 December 2023	30 June 2023
	\$	\$
Cash at bank	2,355,406	1,295,046
Term deposits	14,000,000	18,000,000
	<u>16,355,406</u>	<u>19,295,046</u>

4. Deposits and other receivables

	31 December 2023 \$	30 June 2023 \$
<i>Current</i>		
Interest receivables	79,185	99,362
Goods and Service Tax ("GST")	12,896	20,110
	<u>92,081</u>	<u>119,472</u>
<i>Non-current</i>		
Security deposits	76,432	76,432
	<u>76,432</u>	<u>76,432</u>

A security deposit amounting to \$73,839 represents lease rental deposit recharged by Matador Capital Pty Ltd, an external party service provider in February 2023 which is expected to be enforced for more than 12 months.

5. Trade and other payables

	31 December 2023 \$	30 June 2023 \$
Trade payables	13,996	74,827
Accruals	21,150	16,235
	<u>35,146</u>	<u>91,062</u>

6. Issued capital

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares – fully paid	<u>134,251,240</u>	<u>133,584,573</u>	<u>13,582,139</u>	<u>13,540,276</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	132,251,241		13,456,550
Exercise of unlisted share options	13 December 2022	666,666	\$0.00	41,863
Exercise of unlisted share options	27 October 2022	666,666	\$0.00	41,863
Balance	30 June 2023	133,584,573		13,540,276
Exercise of unlisted share options	30 October 2023	666,667	\$0.00	41,863
Balance	31 December 2023	134,251,240		13,582,139

7. Reserves

	31 December 2023 \$	30 June 2023 \$
Share-based payments reserve	321,853	359,463
	<u>321,853</u>	<u>359,463</u>

The share-based payments reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Financial asset reserve \$	Share based payment reserve \$	Total \$
Balance at 1 July 2022	3,351,724	444,182	3,795,906
Change in fair value	9,573,533	-	9,573,533
Tax effect of change in fair value	(2,872,060)	-	(2,872,060)
Reclassification of retained earnings due to disposals	(10,053,197)	-	(10,053,197)
Shares issued on exercise of performance rights	-	(83,726)	(83,726)
Lapse of performance rights	-	(9,428)	(9,428)
Vesting of performance rights	-	8,435	8,435
Balance at 30 June 2023/ 1 July 2023	<u>-</u>	<u>359,463</u>	<u>359,463</u>
Shares issued on exercise of performance rights	-	(41,863)	(41,863)
Vesting of performance rights	-	4,253	4,253
Balance at 31 December 2023	<u><u>-</u></u>	<u><u>321,853</u></u>	<u><u>321,853</u></u>

8. Earnings/ (Loss) per share

	2023 \$	2022 \$
Net profit/ (loss) after tax	73,927	(971,525)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	133,812,834	132,575,466
Weighted average number of ordinary shares used in calculating diluted earnings per share	139,697,765	132,575,466
	Cents	Cents
Basic earnings/(loss) per share	0.06	(0.73)
Diluted earnings/(loss) per share	0.05	(0.73)

9. Events after the reporting period

On 5 March 2024, the Company announced the payment of a fully franked dividend to shareholders of \$0.006 per share, together with a capital return of \$0.0685 per share. This represents a total cash return to shareholders of \$10 million. The payment of the capital return is subject to shareholders' approval.

Other than the above transaction, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

In accordance with a resolution of directors of Copper Strike Limited, the Directors of the Company declare that:

In the opinion of the directors:

- a) the financial statements and notes comply with the *Corporations Act 2001*, including:
 - giving true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the six months ended on that date; and
 - complying with the Australian Accounting Standards *AASB 134 Interim Financial Reporting* (including the Australian Accounting Interpretations) and *Corporations Regulations 2001* and other mandatory reporting requirements.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "B Jesser", written over a horizontal line.

Mr Brendan Jesser
Non-Executive Chairman
8 March 2024

Independent auditor's review report to the members of Copper Strike Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Copper Strike Limited (the Company), does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the statement of financial position as at 31 December 2023,
- the statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J. C. Luckins

Director

Melbourne, 8 March 2024