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## QUARTERLY REPORT ON ACTIVITIES January to March 2013

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### Highlights

- Initial drilling for heavy mineral sands on Exploration Licence 5415 near Warracknabeal in Victoria has located some anomalous areas that are currently being followed up by further drilling. The follow up programme will be completed in April.
- Careful assessment of several companies, projects and exploration opportunities has not yet led to any acquisitions, mergers or joint ventures.

### Exploration Activities – Mineral Sands at Warracknabeal

Based on the discovery of zircon-rich heavy mineral (HM) sands in paleo-beaches by Aberfoyle near Warracknabeal, Victoria in the 1980s, Copper Strike applied for the relevant exploration tenure early in 2012. Following field reconnaissance work last year, Copper Strike completed 2739 metres of aircore drilling this past February. The most prospective areas have been targeted with a further 1900 metres of follow up drilling in April. This programme has not yet been completed. The Aberfoyle drilling along with the location of the first Copper Strike programme are shown in Figure 1.

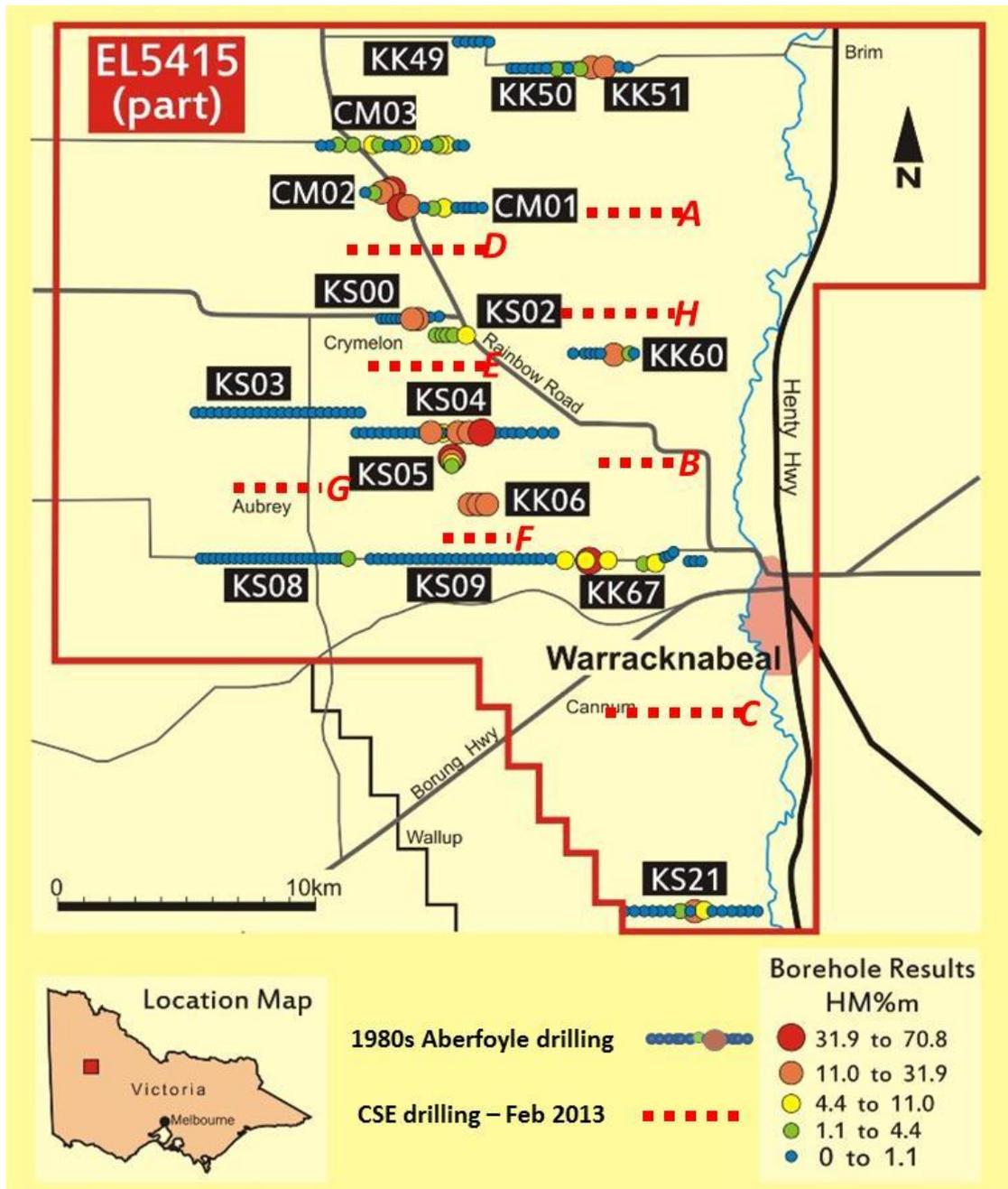
In addition to the drilling, detailed ground magnetics is proving to be very useful in finding and tracing out the width and extent of the highest grade zones of mineralisation. This method will be utilised extensively before any further drilling programmes.

The February programme was successful on two fronts: in the zone around Line C and in the zone from Line CM02/CM01 to KK06.

The mineralisation on Line C may be a continuation of the zone encountered on Aberfoyle's Line KS09/KK67 almost 10km to the north which had an impressive assemblage of heavy minerals running up to 24% zircon and 10% rutile. The zone on Line C is very wide (up to 800m), shallow (4-12m deep) and 2-4m thick where encountered to date. Heavy mineral content ranged from 1 to 4% in the initial Copper Strike drill programme though much higher grades are now being encountered in the follow up drilling based on visual observations (see Figure 2). Heavy mineral separations have not yet been completed on the follow up programme and mineral identifications have not yet been completed for either drill Copper Strike programme.

#### Registered Office

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**Figure 1: Location map for the northern part of EL 5415 near Warracknabeal in Victoria. Location of the 1980's Aberfoyle drilling is shown along with the location of CSE's drilling in the last Quarter. A new drilling programme is currently being completed to follow up the good results on Lines C, D and E.**

The second success of the programme was on Lines D and E which indicate continuity over a zone of mineral sand mineralisation which now stretches from Lines CM02/CM01 in the north to KK06 in the south, a distance of approximately 15km. This zone appears to be thicker than the zone on Line C with thicknesses up to 18m @ 3.0% HM and 16m @ 4.4% HM. The zones range up to 700m wide and varies from 0 to 18m deep. However the mineral assemblage in this zone appears to average around 10% zircon and 4% rutile which is not as attractive as the more eastern KS09/KK67 zone based on several old reports and on very preliminary visual observations by Copper Strike.

The completion of the current drilling programme plus the receipt of all of the analytical, microscope and ground magnetic work in the next few months will lead to a sophisticated view on the potential for an economic resource on this property.



**Figure 2: Drill rig on site near Warracknabeal and a panned sample showing high grade HM**

### **Administration**

At 31 March 2013, Copper Strike had \$2.2 million in the bank.

### **Activities Planned for the Next Quarter**

Follow up drilling for heavy mineral sand accumulations in the Warracknabeal, Victoria, area is currently in progress and will be finished before the end of April. The remaining heavy mineral separates will be completed as well as all of the mineral identification work. This will allow a complete compilation of all the work that has been done to date. This information, along with further ground magnetic data, will help in the planning of further work programmes.

Copper Strike's main corporate strategy is to complete a share-based transaction that will effectively utilise the Company's assets and expertise. This has not yet occurred because Copper Strike's main asset is 11 million Syrah Resources Limited shares currently worth around \$18 million. The volatility and positive outlook for this asset has made it difficult to agree a long term value of Copper Strike shares with potential partners, making a share based transaction difficult.

*The information in this report as it relates to geology, geochemical, geophysical and exploration results was compiled by Mr Tom Eadie, FAusIMM, who is a Competent Person and Executive Chairman of Copper Strike Ltd. Mr Eadie has more than 20 years experience in the activities being reported on and has sufficient expertise which is relevant to the style of mineralisation and type of deposit under consideration. He consents to the inclusion of this information in the form and context in which it appears in this report.*

### **Corporate Details**

#### **Issued Capital**

106,844,810 shares

Share Price \$0.15 (24 April 2013)

#### **Directors & Management**

Mr Tom Eadie – Executive Chairman

Mr Barrie Laws – Non Executive Director

Mr John Dunlop – Non Executive Director

Ms Melanie Leydin – Company Secretary

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COPPER STRIKE LIMITED

ABN

16 108 398 983

Quarter ended ("current quarter")

31 MARCH 2013

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(199,672)	(356,089)
(b) development	-	-
(c) production	-	-
(d) administration	(118,073)	(284,190)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	36,698	95,635
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Rent received	14,452	31,502
<b>Net Operating Cash Flows</b>	<b>(266,595)</b>	<b>(513,142)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Deposits supporting guarantees	(10,000)	(10,000)
<b>Net investing cash flows</b>	<b>(10,000)</b>	<b>(10,000)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(276,595)</b>	<b>(523,142)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(276,595)	(523,142)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Return of Capital to Shareholders	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(276,595)	(523,142)
1.20	Cash at beginning of quarter/year to date	2,513,662	2,760,209
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,237,067</b>	<b>2,237,067</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	111,743
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, Superannuation, and Consultancy fees paid to director related entities during the March 2013 quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
<b>Total</b>	<b>200</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,030	1,332
5.2 Deposits at call	1,084	1,059
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	123	123
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,237</b>	<b>2,514</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	106,844,810	106,844,810	FP	FP
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	-  -	-  -	-  -	-  -
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues  (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 26 April 2013

Company Secretary

Print name: MELANIE LEYDIN

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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