



ASX Release
23 October 2009

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES July to September 2009

Summary

Copper Strike is currently in the process of raising at least \$2 million through a Shareholder Purchase Plan that is being led and underwritten by Patersons Securities Limited. The proceeds of this capital raising will be spent on moving the Einasleigh Project ahead through:

- ❑ Extending the known resources through a drill programme starting in early November
- ❑ Drilling of high priority exploration targets also starting in November
- ❑ Addressing permitting items to progress the granting of the Mining Leases at Kaiser Bill and Einasleigh.

Progress at the Einasleigh Project over the September Quarter included the completion and the issuing of the full Environmental Management Plan for the Kaiser Bill Mining Lease Application to the Department of Environment and Resource Management. This is a major step in the granting of the Kaiser Bill Mining Lease.

At Walford Creek, joint venture partners Walford Consolidated Pty Ltd failed to complete the first year expenditure commitment necessary to earn a 25% interest in the project and therefore the property has reverted to 100% Copper Strike ownership. Copper Strike is endeavouring to complete a drill programme at Walford Creek before the wet season. However logistical issues may postpone the programme until next year.

Founding non executive director, Mr Peter Topham, will retire from the Board on 6 November, after the Annual General Meeting. He will be replaced by Mr John Dunlop, a consulting mining engineer with several other company directorships. The Board of Copper Strike thanks Peter for his five years of contribution to Copper Strike, and welcomes John onto the Board.

At 30 September, Copper Strike had \$1.7 million in the bank.

Tom Eadie
Managing Director

Copper Strike (CSE) is a mineral exploration and development company focused on finding and developing copper and related base metals in eastern Australia. In the medium term, the Company aims to create shareholder value through the development of its advanced multi-deposit project at Einasleigh in North Queensland.

Registered Office

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Corporate

Capital Raising

Copper Strike is currently conducting a capital raising through a Shareholder Purchase Plan (SPP). The SPP is being led and underwritten by Patersons Securities Limited and will raise at least \$2 million. The Opening Date for the SPP is 23 October 2009 and the closing Date is 12 November 2009. A maximum of \$14,960 may be invested by each Copper Strike shareholder in this scheme. The issue price is 11 cents per share which is a 17% discount to the average price in the five days preceding the announcement of the SPP. The proceeds of the capital raising will be applied to moving the Einasleigh Project forward and is summarised in the Einasleigh section below.

Board Changes

Mr Peter Topham will retire from the Board after the Annual General Meeting on 6 November 2009. Peter was a founding director of Copper Strike and the Board would like to thank him for his guidance and contribution over the past five years.

Mr John Dunlop will join the Board on 9 November 2009. John is a consultant mining engineer with close to 40 years surface and underground mining experience both in Australia and overseas spanning more than 25 countries. He is a former director of the Australasian Institute of Mining & Metallurgy (AusIMM) and continues as chairman of its affiliate, the Mineral Industry Consultants Association (MICA). He is also chairman of Alkane Resources Ltd, chairman of Drummond Gold Ltd and non-executive director of Gippsland Ltd. The directors of Copper Strike welcome John onto the Board.

Einasleigh Project

During the September Quarter the main work at Einasleigh was focused on the completion of the Environmental Management Plan (EMP) for the Kaiser Bill Mining Lease Application and its submission to Department of Environment and Resource Management (DERM). This is an important milestone for the granting of the Kaiser Bill Mining Lease, which is a key to the Einasleigh Project because it contains the biggest resource and will be the location of the processing plant for the whole project.

The money raised from the SPP will allow an acceleration in the work completed at Einasleigh. The immediate focus will be on drilling and permitting work to progress the granting of the Mining Leases. The drilling will be a two phase programme with Phase One starting in early November and Phase Two starting in 2010 after the wet season. Initial Phase One results will be available in December.

The Phase One drilling will focus on six different target areas. The first two are extensions to the copper-gold resources at Einasleigh and Kaiser Bill. The third is the advanced Teasdale Prospect, while the final three are undrilled geophysical / geochemical targets.

At Einasleigh, there is a strong, unexplained electromagnetic anomaly immediately north and along strike from the main high grade Einasleigh deposit. This anomaly will be drilled with two holes.

At Kaiser Bill two different concepts for the extension of the resource will be tested. A shallow zone of above average grade has been identified by four holes in previous drilling. This zone, which is currently an Inferred Resource, has the potential to contain several million tonnes of shallow, above average grade material, which could enhance the economics of the deposit. The second concept is to test the size and continuity of a high

grade zone (>3% copper) in the middle of the Kaiser Bill deposit. Additional high grade material would help make the economics of the deposit more robust.

At Teasdale, drilling to date has identified a continuous zone of copper mineralisation over several hundred metres. The grade of the deposit appears to be increasing at depth and to the east. Three holes will be drilled to test for the possibility of high grade material at Teasdale.

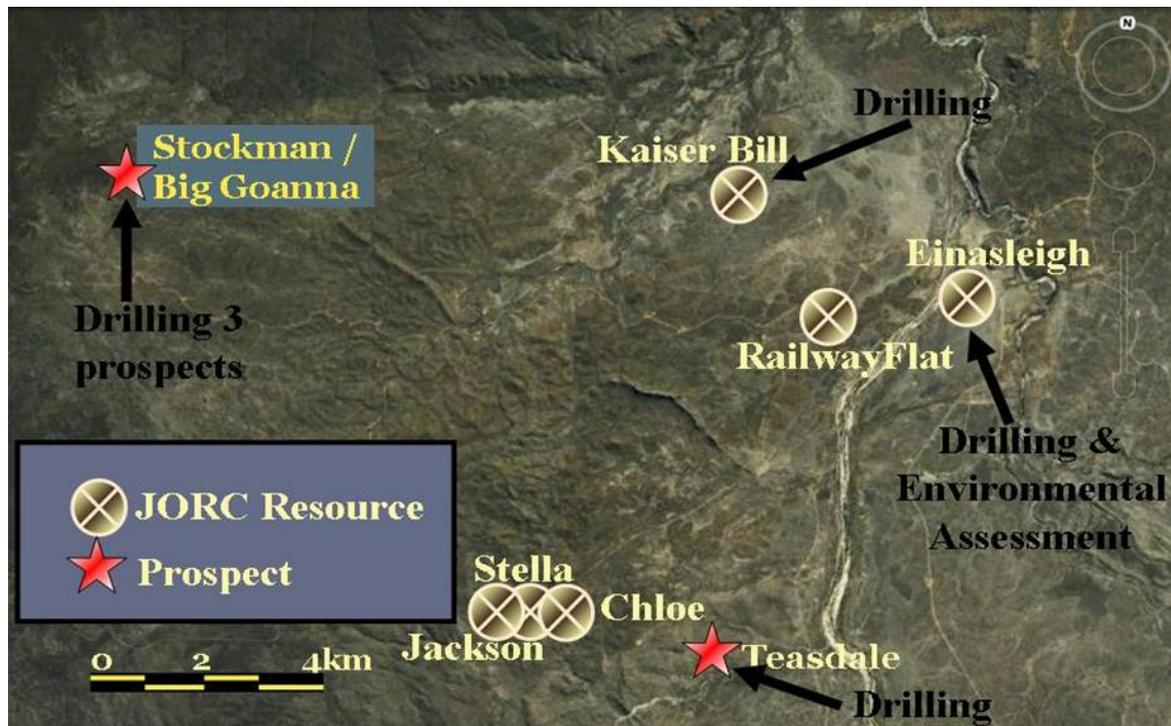


Figure 1: Location of Phase One drilling target areas

A further three prospects will be drilled in the Stockmans / Big Goanna area in the west of the Exploration Permit. These targets are combined strong magnetic and geochemical anomalies with various rock samples running up to 12% copper, 860g/t silver and 9% lead. All of this drilling, estimated to be approximately 3000 metres, is scheduled to be completed before year end.

The Phase Two programme will consist of three main sub-programmes:

- Follow up results from Phase One programme
- Drill out high grade extensions to Chloe / Jackson system
- Drill other geophysical anomalies on Einasleigh tenement

An estimated 5000 meters of drilling will be completed in Phase Two with the results available before June 2010. In addition environmental work will be completed to progress the Mining Lease Applications.

Walford Creek

At Walford Creek, Copper Strike's joint venture partners, Walford Consolidated Pty Ltd (WCPL), failed to complete the first year expenditure commitment necessary to earn a 25% interest in the Exploration Permits. Therefore the tenements revert back to 100% Copper Strike.

Since being informed of WCPL's decision not to drill at Walford Creek in mid September, Copper Strike has been endeavouring to organise the logistics necessary to complete a drill programme before the likely onset of the wet season in December. Even minor delays may force the postponement of the programme until after the wet season.

The information in this report as it relates to geological, geochemical, geophysical and exploration results was compiled by Mr. Tom Eadie, FAusIMM, who is a Competent Person and a full time employee of Copper Strike Limited. Mr. Eadie has more than 20 years experience in the activities being reported on and consents to the inclusion of this information in the form and context in which it appears in this report.

Corporate Details

Issued Capital

91,420,571 shares
4,200,000 unlisted options
Share Price \$0.12 (22 Oct 09)

Key Shareholders

Teck Cominco Australia 9.4%
Acorn Capital 6.2%

Registered Office

Level 9 – 356 Collins Street
Melbourne Victoria 3000

Directors & Management

Mr Tom Eadie – Executive Chairman
Mr Barrie Laws – Non Executive Director
Mr Peter Topham – Non Executive Director
Mr Terry Lees – Exploration Manager
Mr David Ogg – Company Secretary

Registered Office

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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 Ltd

ABN

16 108 398 983

Quarter ended ("current quarter")

September 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(35)	(35)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(292)	(292)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	14	14
	Net Operating Cash Flows	(300)	(300)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(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 (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(300)	300)

1.13	Total operating and investing cash flows (brought forward)	(300)	(300)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(300)	(300)
1.20	Cash at beginning of quarter/year to date	1,988	1,988
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,688	1,688

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	77
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes payments of \$1,105 to Inkprintz for geological services. Inkprintz is controlled by the wife of a director, Mr T Eadie.

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

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	250
4.2 Development	-
Total	250

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	76	376
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank Term Deposits	1,612	1,612
Total: cash at end of quarter (item 1.22)	1,688	1,988

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	EPM18257 (Coolaba) EPM18284 (Nine Mile)	0% 0%	100% 100%

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	Preference securities (description)	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -		
7.3	+Ordinary securities	91,420,571		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -		
7.5	+Convertible debt securities (description)	-		

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	Options (description and conversion factor)	2,000,000 1,300,000 600,000 300,000	- - - -	Exercise price 20 cents 25 cents 30 cents 30 cents	Expiry date 31st October 2009 31 st October 2010 31 st October 2010 31 st October 2010
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 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).
- This statement does give a true and fair view of the matters disclosed.

David L Ogg

Sign here: Date: 23 October 2009
 (Company secretary)

Print name: David L Ogg

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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