ASX Release **ASX Code**
27 January 2010 **CSE**

QUARTERLY REPORT ON ACTIVITIES
October to December 2009

Highlights

- **Positive outcome - Net Present Value of Einasleigh Project is $152 million based on today's pricing**
- **Raised $2.7 million through Share Purchase Plan**
- **Current cash position is $3.8 million**
- **Activity focussed on exploration and resource expansion drilling in Einasleigh area, and further permitting work towards the grant of Mining Leases at Kaiser Bill and Einasleigh Copper Mine**
- **Good potential to increase resource at Kaiser Bill - assay results from current drilling limited to several holes - best results as follows:**
  - **KB130 – 14m at 0.94% copper, 5 g/t silver from 125m**
  - **KB132 – 8m at 0.99% copper, 4 g/t silver from 87m and 11m at 0.82% copper, 13 g/t silver from 124m**
  - **KB133 – 6m at 1.3% copper, 12 g/t silver from 133m.**
- **Drilling completed at Teasdale and two Stockman targets, TS008 at Teasdale intersected 19m at 0.63% copper and 11 g/t silver from 87m**
- **Drilling and environmental work is suspended at Einasleigh due to onset of wet season - scheduled to restart in March**

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. The company aims to create shareholder value through the development of its advanced multi-deposit project at Einasleigh in north Queensland.

Registered Office
Copper Strike Limited **ABN 16 108 398 983**
Level 9 - 356 Collins Street Melbourne Victoria 3000 Australia
Ph 03 96400955 Fax 03 96420698 email tom.eadie@copperstrike.com.au
www.copperstrike.com.au

Introduction

At Einasleigh located 300 kilometres northwest of Townsville in North Queensland, Copper Strike has outlined two copper-gold-silver resources and four zinc-lead-silver resources over the last four years. The location of Einasleigh and the resources are shown in Figure 1 while the resource inventory is detailed in Table 1.

Copper Strike completed a Feasibility Study on the Einasleigh Project in June 2009 and the results were reported to the ASX using a copper price of US$2.50 per pound and an A$ to US$ exchange rate of $0.75. Readjusting the financial model for today's (20 January 2010) values of prices and exchange rate (copper US$3.40 per pound and an exchange rate of $0.92), the following very positive outcomes are calculated:

- **Capital cost for the copper project** **$A108 million**
- **Net Present Value of the project at a 10% discount rate** **$A152 million**
- **Internal Rate of Return** **40%**

Following the successful capital raising of $2.75 million through a Share Purchase Plan in November 2009, Copper Strike has commenced drilling at a number of the targets in the Einasleigh area. The purpose of the drilling is to:

- Further define and add tonnage to the 15 million tonne Kaiser Bill deposit
- Investigate the continuity and extent of a high grade (about 3% copper) zone within the Kaiser Bill deposit
- Test three targets in the Stockman area some 20 kilometres west of Einasleigh
- Assess the tonnage potential of the Teasdale copper prospect
- Test a geophysical target immediately north of the high-grade Einasleigh copper deposit.

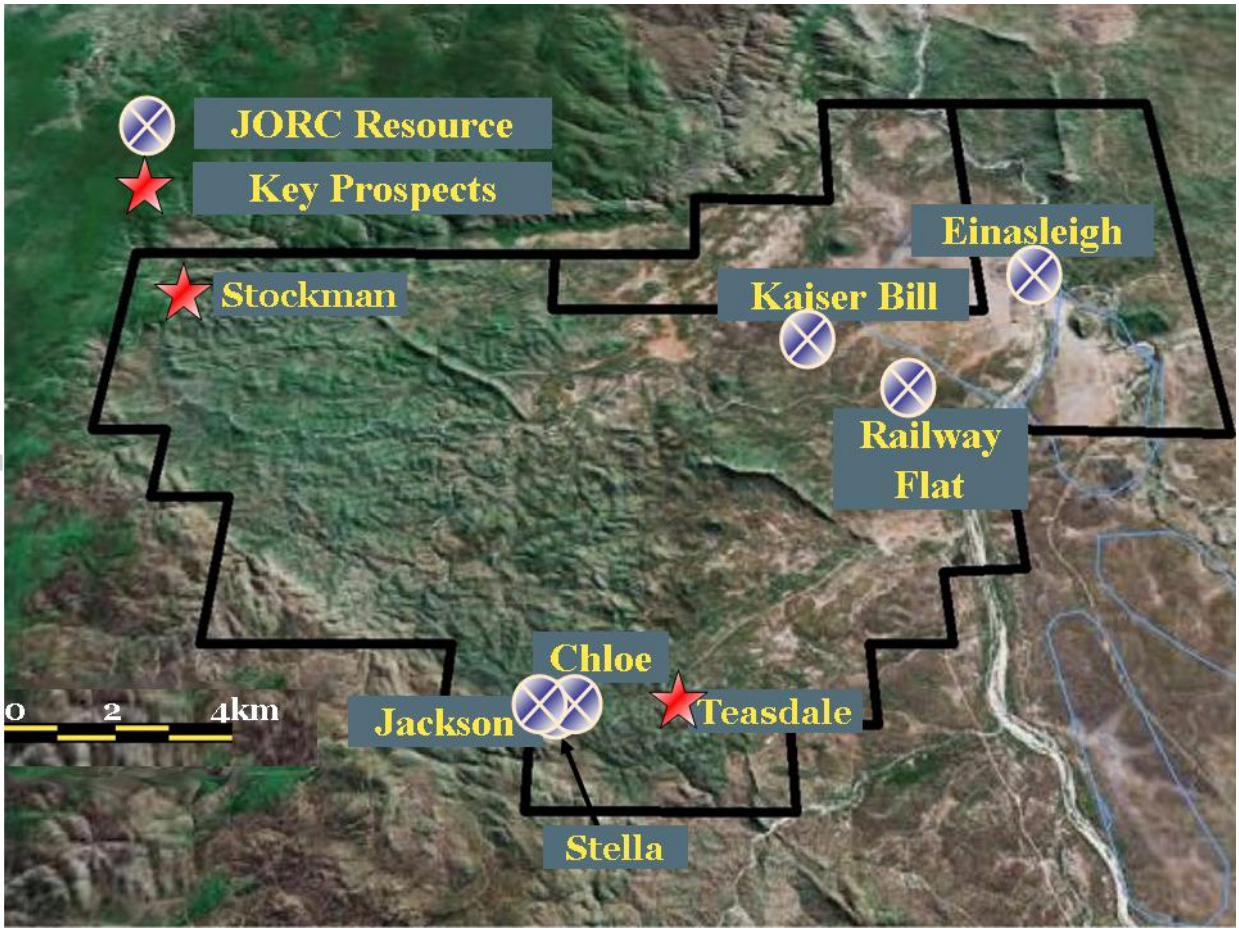


Figure 1: Location of the resources and key prospects in the Einasleigh area

Deposit	Resource	Size (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)
Kaiser Bill	Indicated	13.4	0.86	0.13	7	-	-
	Inferred	2.2	0.99	0.09	11	-	-
Einasleigh	Indicated	0.5	4.0	0.22	18	-	-
	Inferred	0.6	1.9	0.10	8	-	-
Chloe	Indicated	2.2	0.2	-	39	4.7	2.0
	Inferred	0.5	0.3	-	32	6.9	2.1
Jackson	Indicated	1.1	0.1	-	78	4.6	2.4
	Inferred	0.4	0.2	-	64	4.6	1.4
Stella	Inferred	0.4	0.2	-	51	3.9	1.8
Railway Flat	Inferred	0.9	0.2	-	16	3.4	0.9

Table 1: Copper Strike's current resources in the Einasleigh area

Kaiser Bill recent drill programme

Assay results from 11 holes of the current program at the Kaiser Bill deposit are available, as shown in Table 2. Drillhole locations are shown in Figure 2. The holes were designed to further define and add tonnage to the shallow eastern end of the deposit.

Holes KB124, KB125, KB128 and KB129 were drilled on the northern edge of the known deposit. All intersected only oxide mineralisation in the gossan with the exception of KB129 which intersected moderate grade sulphides immediately below the gossan. This hole has extended the deposit northwards and requires a further test to the north.

Drill hole KB127 is near the shallow eastern end of the deposit, while KB126, KB130, KB131, KB132, KB133 and the extension of KBRC044 are on the southern margin of the deposit. In general, the results were consistent with being near the edge of the mineralisation with only low to moderate grades of mineralisation intersected. Better results in the main zone include 14 metres at 0.94% copper from 125 metres in KB130 and 8 metres at 0.99% copper from 89 metres in KB132.

Some of the holes were also designed to test for a deeper parallel layer of mineralisation with mixed results. For example, the deeper intersection in KB132 (11 metres at 0.82% copper from 124 metres) and the intersection in KB133 (6 metres at 1.3% copper from 133 metres) show that a lower mineralised lens is continuing (Figure 3). However, the continuation of KBRC044 did not intersect significant mineralisation corresponding to the deeper ore lens.

Drill hole KB134, targeted at a high grade zone within the Kaiser Bill deposit was completed and intersected several zones of mineralisation with what appears to be moderate to high grade. This result confirms that there is a traceable higher grade zone of mineralisation running obliquely through the central portions of the Kaiser Bill deposit. More drilling is necessary on this long narrow zone.

Two other previously existing holes, KBRC048 and KBRC049 in the eastern part of the deposit, were extended and intersected several zones of low to moderate mineralisation. These results could have important implications for addition shallow tonnage in the easily open-cuttable part of the Kaiser Bill deposit. Assays of all these holes are in progress.

In summary this drill programme has shown that there is good potential to increase the tonnage of the Kaiser Bill resource in the shallow parts of the deposit by perhaps a few million tonnes. The real size potential is in the deeper parts of the deposit where it is open to the southwest. This will be discussed later.

	From	To	Interval	% Cu	g/t Ag	g/t Au	Comments
KB124	0	14	14	0.71	11.84	0.01	Oxide mineralisation
KB125	8	15	7	0.64	4.7	0.01	Oxide mineralisation
KB126	79	81	2	0.46	14.3	0.02	
KB127	36	39	3	0.76	6.7	0.02	
"	72	79	7	0.74	16.7	0.01	
KB128							No significant copper
KB129	0	15	15	0.46	3.2	0.02	Oxide mineralisation
"	20	30	10	0.76	2.9	0.13	
KB130	97	105	8	0.80	3.2	0.11	
"	108	110	2	0.53	9.5	0.04	
"	125	139	14	0.94	5.3	0.11	
KB131	73	79	6	0.82	11.5	0.06	
"	103	113	10	0.48	2.7	0.06	
"	118	120	2	0.57	20.7	0.02	
"	140	144	4	0.95	33.9	0.02	
KB132	87	95	8	0.99	3.7	0.18	
"	115	117	2	0.57	3.8	0.23	
"	124	135	11	0.82	12.8	0.02	
KB133	62	69	7	0.50	1.7	0.04	
"	85	90	5	0.82	3.1	0.12	
"	116	118	2	0.69	7.6	0.10	
"	133	139	6	1.30	11.7	0.00	
KBRC044	127	129	2	0.49	3.8	0.07	Extended from 125 to 160m
KBRC048	Several zones of low to moderate grade mineralisation						
KBRC049	Several zones of low to moderate grade mineralisation						
KB134	Several zones of moderate to high grade mineralisation						

Table 2: Results from recent drilling at Kaiser Bill

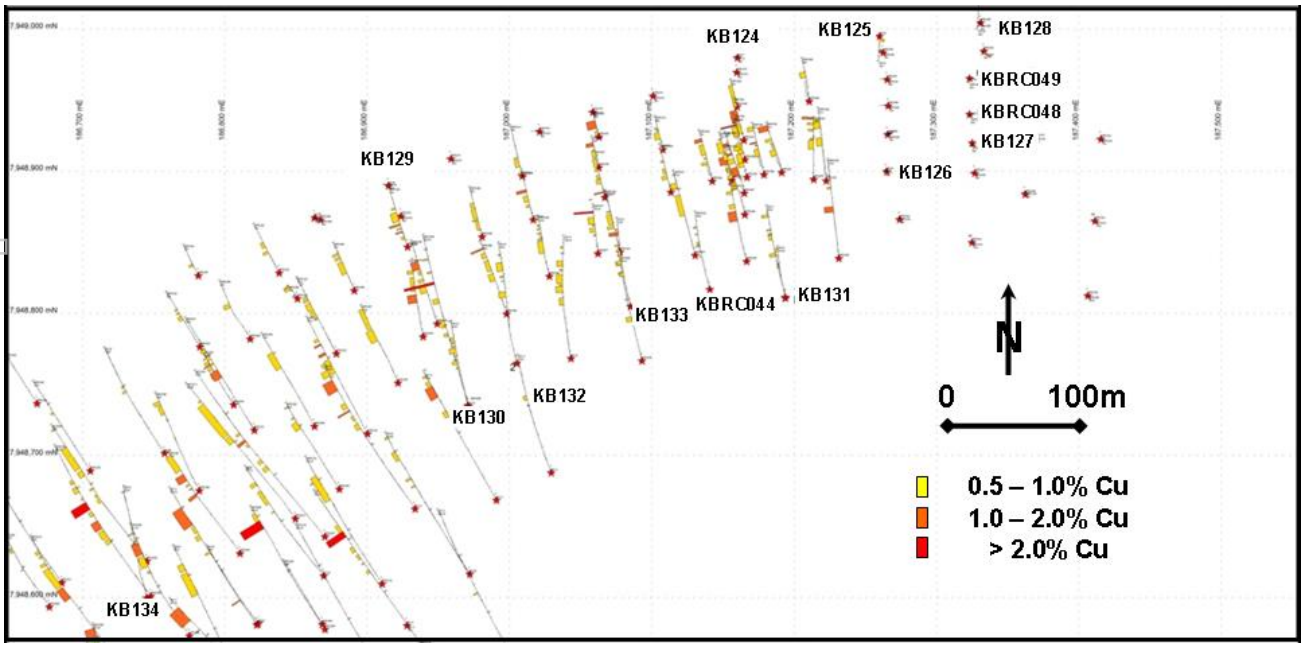


Figure 2: Recent drilling at the eastern end of the Kaiser Bill resource

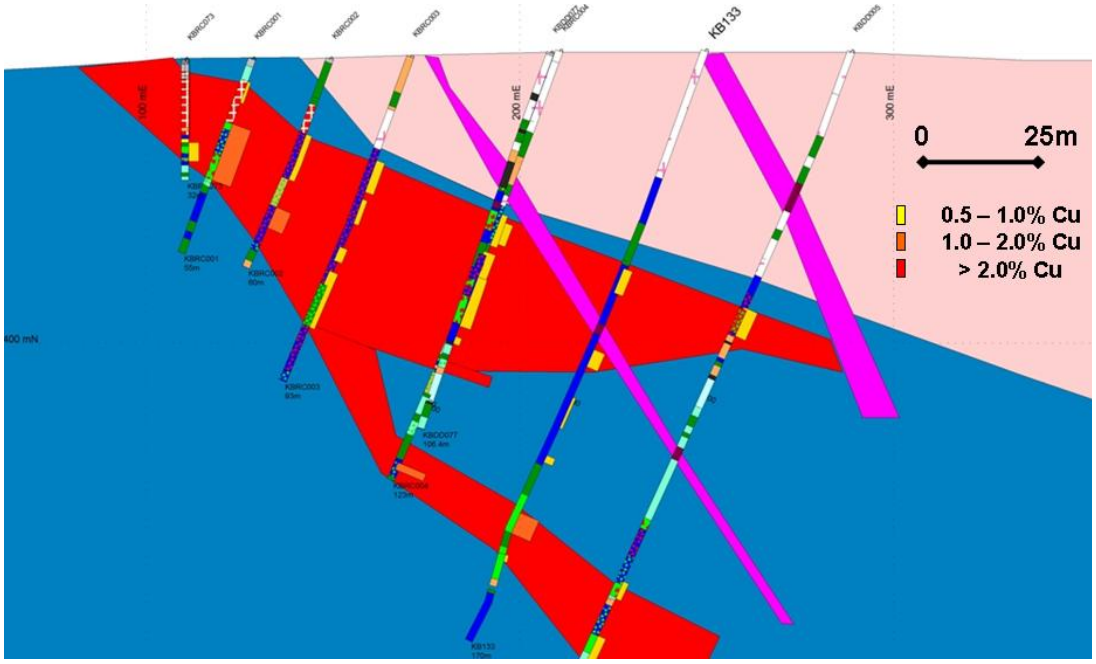


Figure 3: Kaiser Bill cross section through drill hole KB133

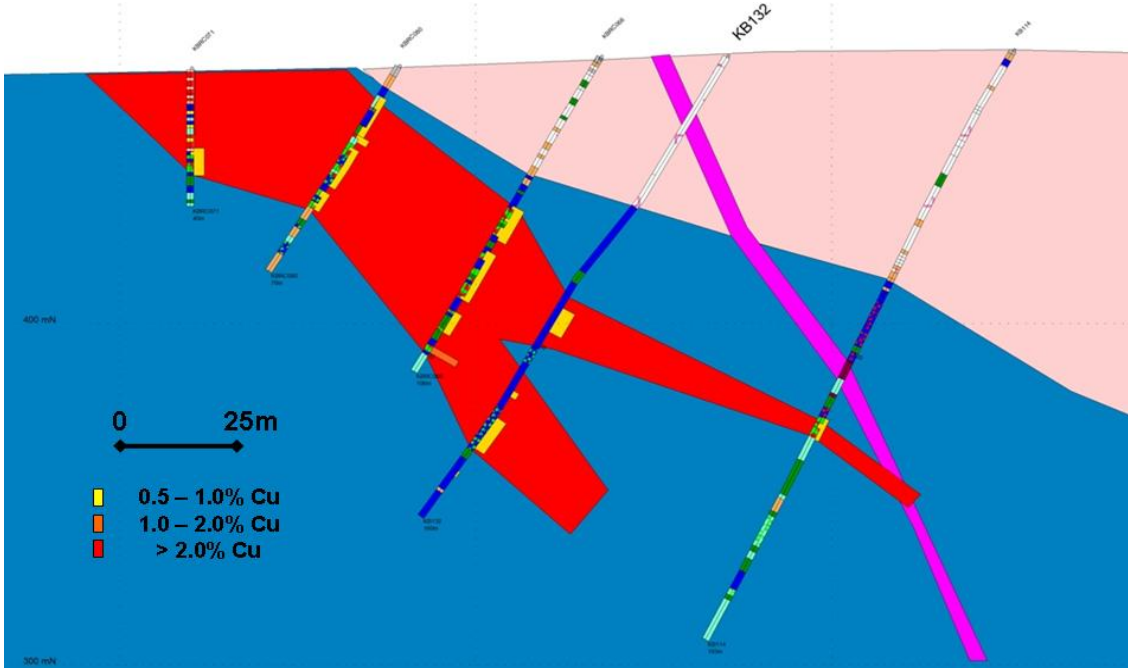


Figure 4: Kaiser Bill cross section through drill hole KB132

Kaiser Bill future drill programme

As discussed above, there is potential to add several millions tonnes of mineralisation in the shallow, eastern end of the Kaiser Bill deposit. However it is the deeper higher grade southwestern edge of the deposit where the large potential, at a higher grade, exists. The three most westerly cross sections are shown in Figure 6. Clearly the deposit is thick and higher than average grade in this area. It is also open to the west and down-dip to the south. It should be noted in Figure 5 that the only hole located along this trend further to the southwest, KB107, is a percussion pre-collar for a diamond drill hole that has not yet been completed to the target depth. KBD02, further to the west, is not located on the trend of the thick, higher grade mineralisation. Encouragingly however, it did intersect three narrow zones of circa 1% copper mineralisation.

Drilling is planned for April with the objective of showing that there is the potential to double the size of the Kaiser Bill deposit down to a depth of approximately 400 metres.

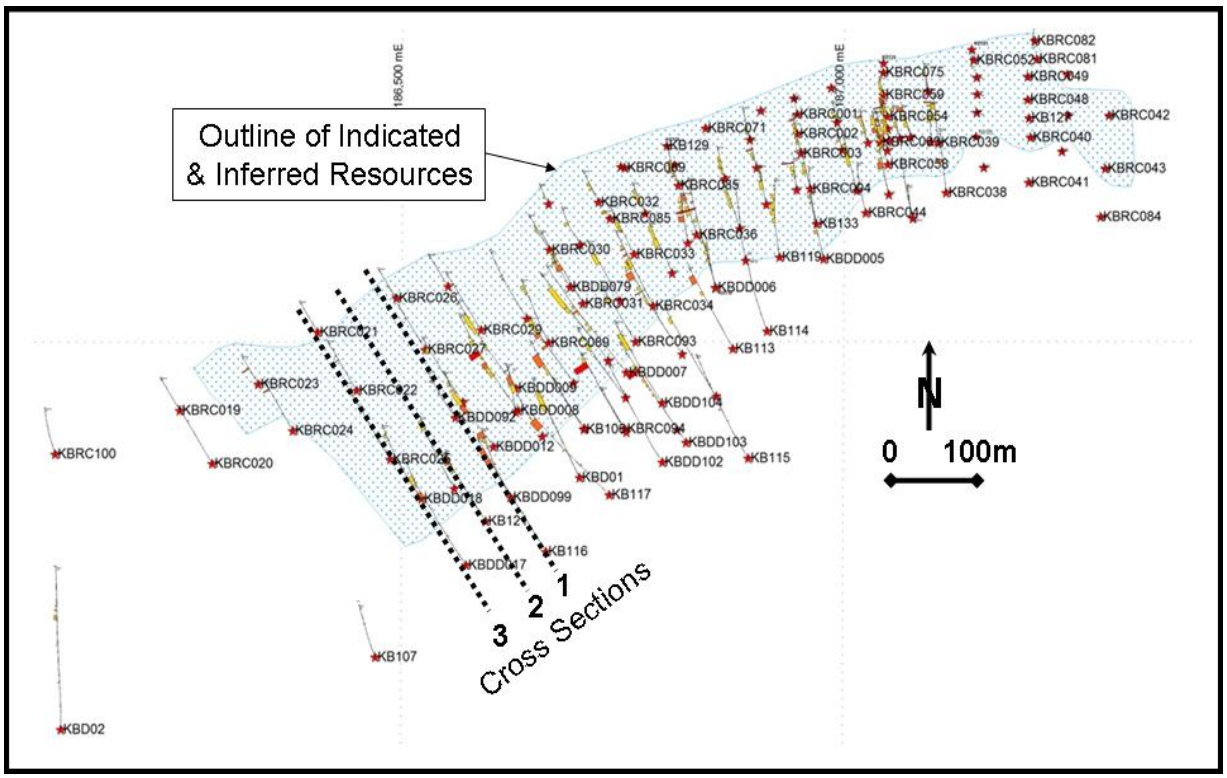


Figure 5: Map of Kaiser Bill resource showing locations of the deepest cross sections

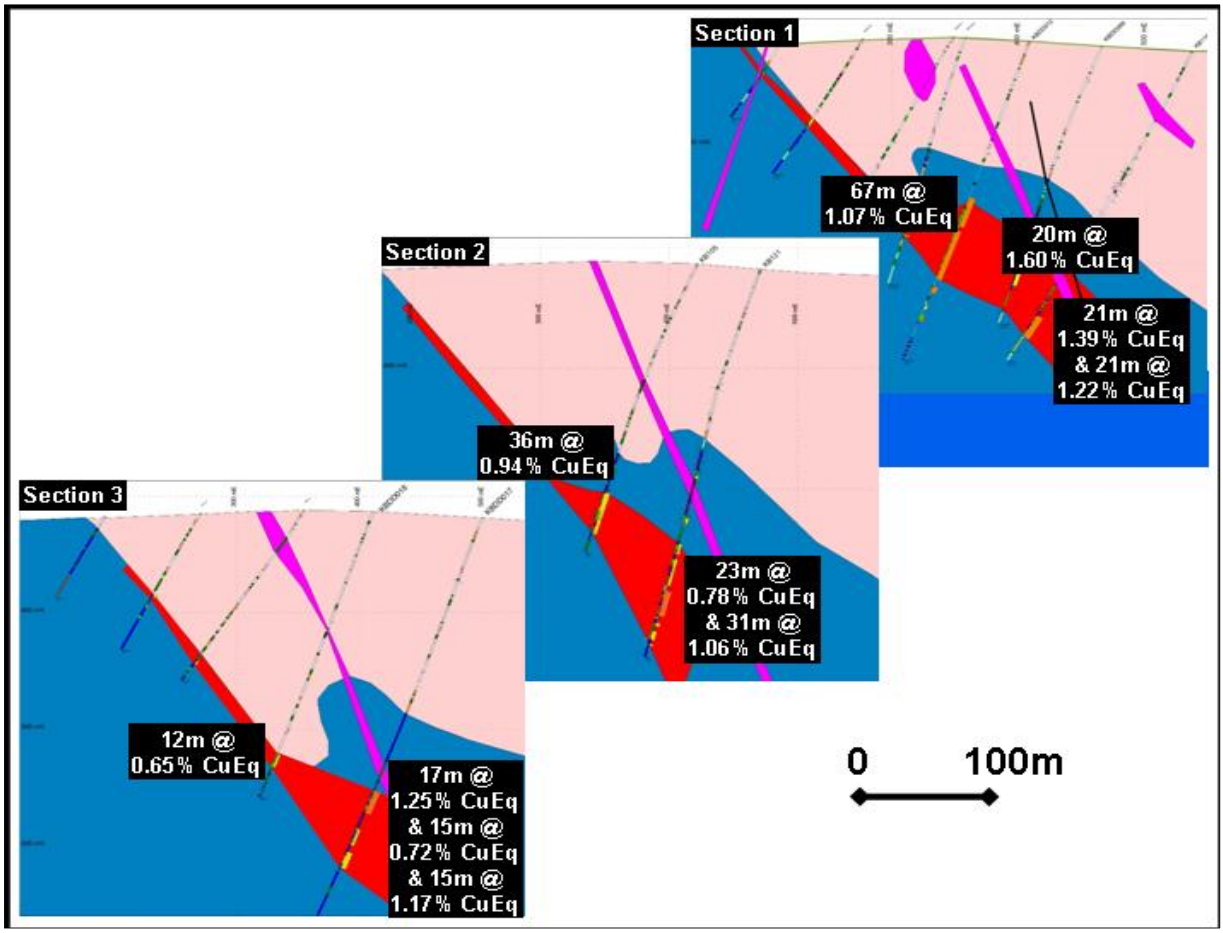


Figure 6: Most southwesterly cross sections at Kaiser Bill. The deposit is open in this direction and down-dip. CuEq equals % Cu + 0.5g/t Au + 0.01g/t Ag.

Einasleigh Copper Mine drilling

The diamond drilling test of a geophysical target at the Einasleigh Copper Mine resource encountered drilling difficulties, and has been suspended until drilling resumes after the wet season.

Stockman drilling

In the Stockman area some 20 kilometres west of Einasleigh, two of three proposed targets were drilled. ST006 failed to intersect significant mineralisation. Assays from the drill hole ST007, showed only weak Cu-Ag-Au mineralisation (Table 3). The third target, the "Big Goanna" alteration system, will be drilled when work resumes after the wet season.

The testing of these three targets is just the initial drilling programme of the assessment of the underexplored and highly prospective western areas of the Einasleigh tenements.

	From	To	Interval	% Cu	g/t Ag	g/t Au	Comments
ST006							No significant intersection
ST007	**42**	**44**	**2**	**0.34**	**2**	**0.09**	

Table 3: Results from recent drilling at Stockman prospect

Teasdale drilling

Two holes were completed at Teasdale, to test the areal extent and geometry of the mineralisation encountered in earlier drill hole TSRCD01 (37 metres at 0.95% Cu, 0.5% Zn and 16 g/t Ag from 100 metres). Drillhole TS008, some 30 metres west of TSRCD01, intersected 19m at 0.63% Cu with minor Ag and Au (Table 4). TS009, some 30 metres east of TSRCD01, intersected only weak mineralisation. A plan of Teasdale drilling is included as Figure 5, and a long section as Figure 6. It is clear from these figures that the orientation of the mineralisation is not simple and is still not understood. More drilling is required at Teasdale to accurately interpret the potential of this interesting and extensive mineralisation.

	From	To	Interval	% Cu	g/t Ag	g/t Au	Comments
TS008	**87**	**106**	**19**	**0.63**	**10.7**	**0.03**	
TS009							No significant intersection

Table 4: Results from recent drilling at Teasdale

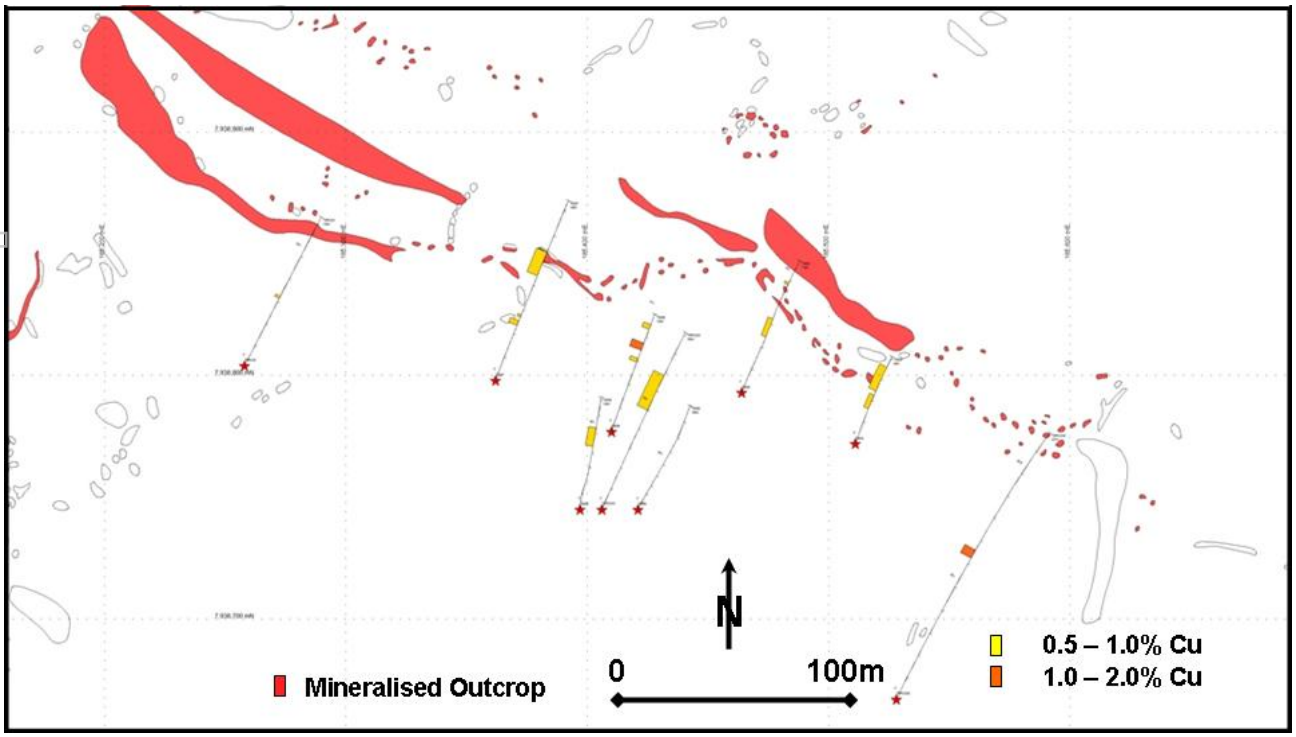


Figure 5: Map of drilling at Teasdale

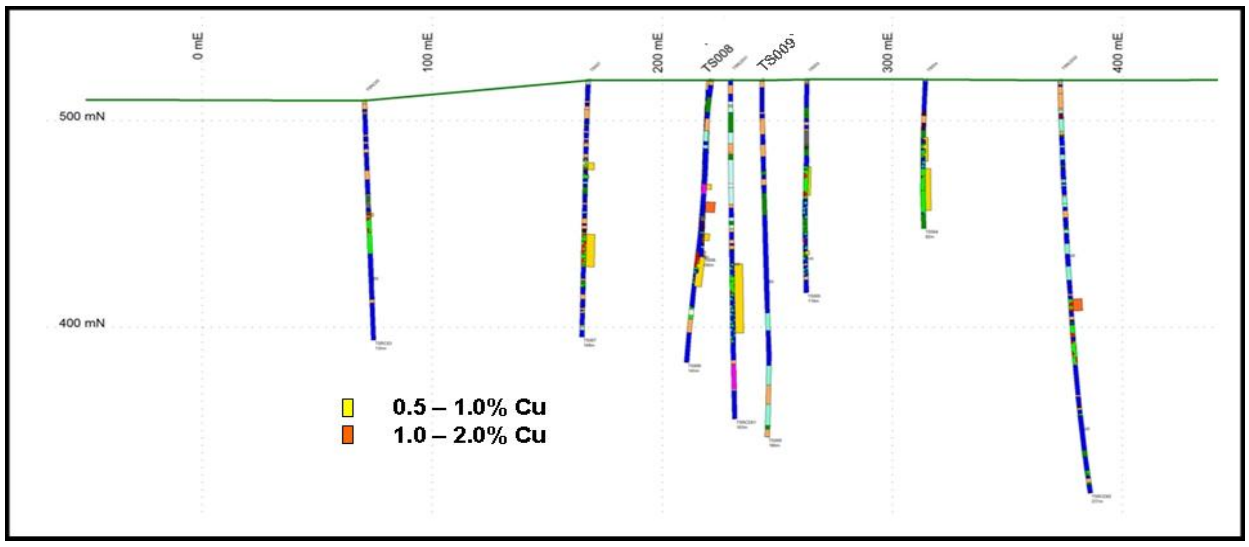


Figure 6: Long section of drilling at Teasdale

Corporate

Copper Strike has signed a Joint Venture Agreement with unlisted explorer MM Mining Ltd (MMM) whereby MMM may earn up to 70% of the Walford Creek exploration licences by the expenditure of $4 million in two stages. Copper Strike has outlined an Inferred Resource at Walford Creek of 6.5 million tonnes containing 0.6% copper, 1.6% lead, 2.1% zinc, 25g/t silver and 0.07% cobalt. MMM is a well-financed junior and is planning to list on the ASX in early 2010**.**

At the end of December, 2009, Copper Strike had $3.8 million in the bank.

Discussions with a number of Chinese companies occurred over the quarter with the objective of securing funding to put the Einasleigh Project into production. For two months to the end of January 2010, Copper Strike entered into exclusive talks with one Chinese mining company. No agreement has yet been signed.

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 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
116,455,571 shares
2,200,000 unlisted options
Share Price $0.115 (21 Jan 2010)

Key Shareholders
Citicorp Nominees 7.8%
Teck Cominco Australia 7.4%
Acorn Capital 6.1%

Registered Office
Level 9 – 356 Collins Street
Melbourne Victoria 3000

Directors & Management
Mr Tom Eadie – Executive Chairman
Mr Barrie Laws – Non Executive Director
Mr John Dunlop – Non Executive Director
Mr Terry Lees – Exploration Manager
Mr David Ogg – Company Secretary

Registered Office
Copper Strike Limited ABN 16 108 398 983
Level 9 - 356 Collins Street Melbourne Victoria 3000 Australia
Ph 03 96400955 Fax 03 96420698 email tom.eadie@copperstrike.com.au
www.copperstrike.com.au

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	Quarter ended ("current quarter")
16 108 398 983	December 2009

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(287)	(322)
		(b) development	-	-
		(c) production	(239)	(531)
		(d) administration	-	-
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		16	29
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		(26)	(12)
	Net Operating Cash Flows		(536)	(836)
	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)		(546)	(836)

1.13	Total operating and investing cash flows (brought forward)	(536)	(836)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2754	2754
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)	(108)	(108)
	Net financing cash flows	2646	2646
	Net increase (decrease) in cash held	2110	1,810
1.20	Cash at beginning of quarter/year to date	1,688	1,988
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	3,798	3,798

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	90
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 $4,108 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	61	76
5.2	Deposits at call	974	-
5.3	Bank overdraft	-	-
5.4	Other (provide details) Bank Term Deposits	2,763	1,612
	Total: cash at end of quarter (item 1.22)	3,798	1,688

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				

Issued and quoted securities at end of current quarter

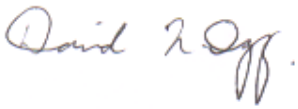
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		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**	116,455,571	116,455,571		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	 25,035,000 -	 25,035,000 -		
7.5	**+Convertible debt securities** (*description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	 - -	 - -		
7.7	**Options** *(description and conversion factor)*	1,300,000 600,000 300,000	- - -	Exercise price 25 cents 30 cents 30 cents	Expiry date 31st October 2010 31st October 2010 31st October 2010
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	2,000,000	-	20 cents	31st October 2009
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

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: 27 January 2010
(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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