



ASX Release

15 April 2010

ASX Code

CSE

---

## QUARTERLY REPORT ON ACTIVITIES

### January to March 2010

---

#### Highlights

- Short drill programme completed in shallow parts of Kaiser Bill, with best intersections as follows:
  - KB049 – 9m at 1.27% Cu, 28 g/t Ag from 67m
  - KB134 – 22.9m at 0.83% Cu, 7 g/t Ag from 159m
- Diamond drilling to explore for extensions to Kaiser Bill, Einasleigh and Chloe will resume in mid April after wet season
- Objective of the drilling at Kaiser Bill is to demonstrate the potential of doubling the size of the open-cuttable resource
- Golders Associates Pty Ltd has recalculated the Mineral Resource at Kaiser Bill to allow evaluation at a range of cut-off grades, incorporating the results of the short drill programme recently completed, in preparation for further feasibility work
- Coffey Environments Australia has been engaged to complete environmental studies and planning necessary to have Kaiser Bill and Einasleigh Mining Leases granted
- Discussions with potential strategic partners to help develop Einasleigh Project are proceeding well
- Joint Venture Agreement signed 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
- \$3.3 million in the bank at 31 March 2010 - ample funds to carry out all current planned activities.

**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](mailto:tom.eadie@copperstrike.com.au)  
[www.copperstrike.com.au](http://www.copperstrike.com.au)

## Introduction

At Einasleigh, located 350 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 the Einasleigh group of tenements and the resources are shown in Figure 1 while the resource inventory is detailed in Table 1.

A drill programme was completed in January 2010 at the Kaiser Bill deposit. The final results of this programme which include drill hole KB134 and the extensions of earlier drillholes KBRC48 and 49, are reported in this release.

Drilling will resume after the wet season in early April with the objectives of adding further tonnage to the Einasleigh and Kaiser Bill deposits, and testing a variety of exploration targets.

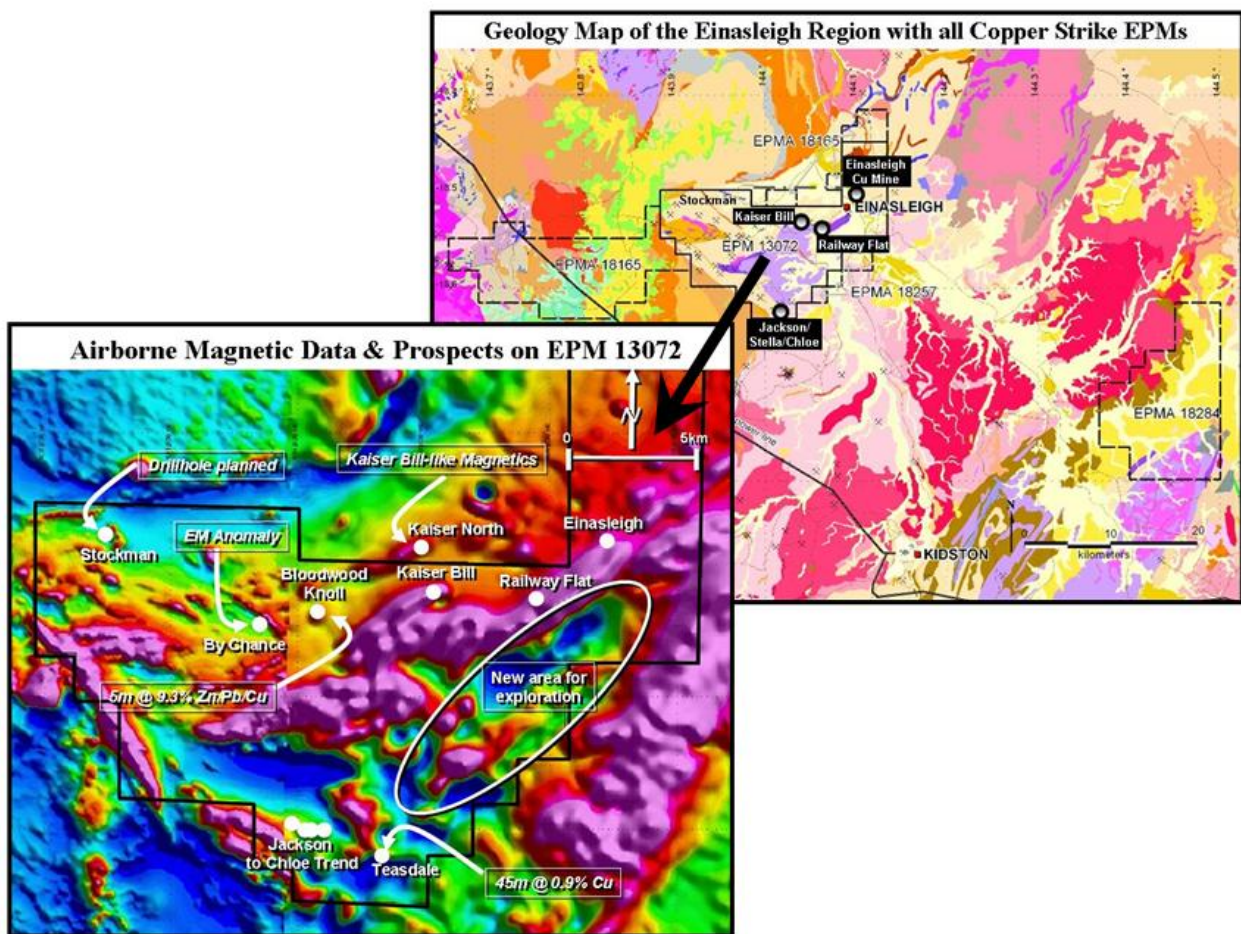


Figure 1: Regional geological map showing Copper Strike's exploration ground and the resources and other prospects, along with magnetic data and prospects on the core Einasleigh EPM 13072.

Deposit	Resource Category	Size (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)
Kaiser Bill	Indicated	13.5	0.84	0.13	6	-	-
	Inferred	1.5	0.85	0.08	11	-	-
Einasleigh	Indicated	0.5	4.0	0.22	18	-	-
	Inferred	0.6	1.9	0.10	8	-	-
Jackson/Stella/Chloe Trend	Indicated	3.4	0.2	-	47	4.7	2.1
	Inferred	1.3	0.2	-	51	5.1	1.8
Railway Flat	Inferred	0.9	0.2	-	16	3.4	0.9

Table 1: Copper Strike's Resources at end 2009 in the Einasleigh area. Cut-off grades: Kaiser Bill 0.4% Cu, Einasleigh 1.0% Cu, Jackson/Stella/Chloe 3.0% Zn equiv, and Railway Flat 2.0% Zn

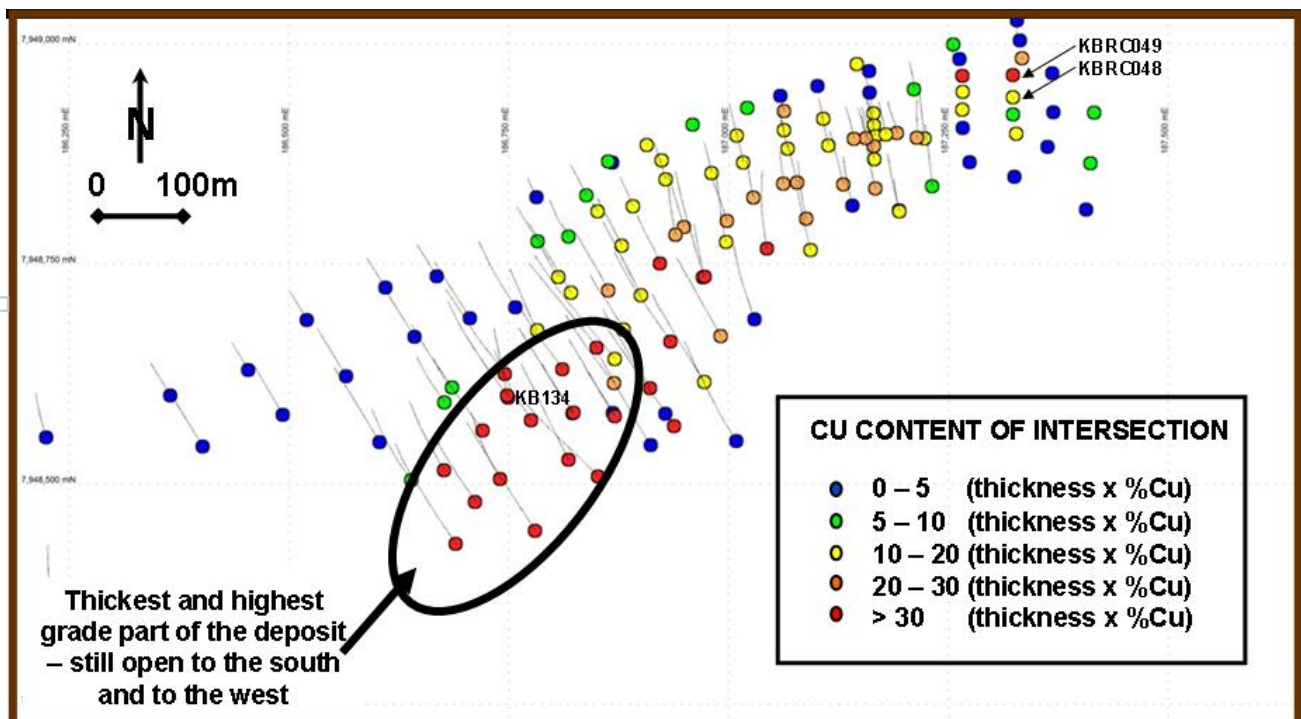
## Kaiser Bill drilling

Results from the final four holes of the current program were released this quarter, as shown in Table 2. Drill hole locations are shown in Figure 2. The holes were designed to further define the 15 million tonne Kaiser Bill deposit. The extensions to existing holes KBRC048 and 049 intersected mineralisation which expands the ore zone. Drill hole KB134, intersected low to moderate grade mineralisation, with some high grade, over a cumulative width of 55.8 metres, averaging 0.74% copper over that interval. This drilling programme has provided an excellent starting point for the next round of drilling, which will start in mid-April.

Utilising the results of the short drill programme carried out in late 2009 and early 2010, Golders Associates Pty Ltd has recalculated the Kaiser Bill resource and the report is summarised in Appendix 1.

	From	To	Interval	% Cu	g/t Ag	g/t Au	Comments
KBRC048	52	54	2.0	0.54	6.7	0.00	Hole deepened from 52m
KBRC048	56	60	4.0	0.62	15.1	0.00	
KBRC048	63	66	3.0	0.47	10.1	0.04	
KBRC049	47	51	4.0	0.82	6.0	0.07	Hole deepened from 46m
KBRC049	54	62	8.0	0.59	9.4	0.04	
KBRC049	67	76	9.0	1.27	28.5	0.03	
KB134	116.0	118.0	2.0	0.54	4.2	0.04	
KB134	122.0	132.0	10.0	0.56	3.4	0.08	
KB134	134.0	143.0	9.0	0.95	4.8	0.12	
includes	135.0	138.0	3.0	1.45	5.9	0.22	
KB134	149.0	155.0	6.0	0.59	2.1	0.13	
KB134	159.0	181.9	22.9	0.83	7.4	0.16	
includes	173.0	176.0	3.0	1.53	8.0	0.31	
KB134	184.0	186.0	2.0	0.70	5.0	0.16	
KB134	203.0	206.9	3.9	0.53	10.0	0.03	

**Table 2: Results from recent drilling at Kaiser Bill. Both KBRC048 and 049 are extensions of previous mineralised holes.**



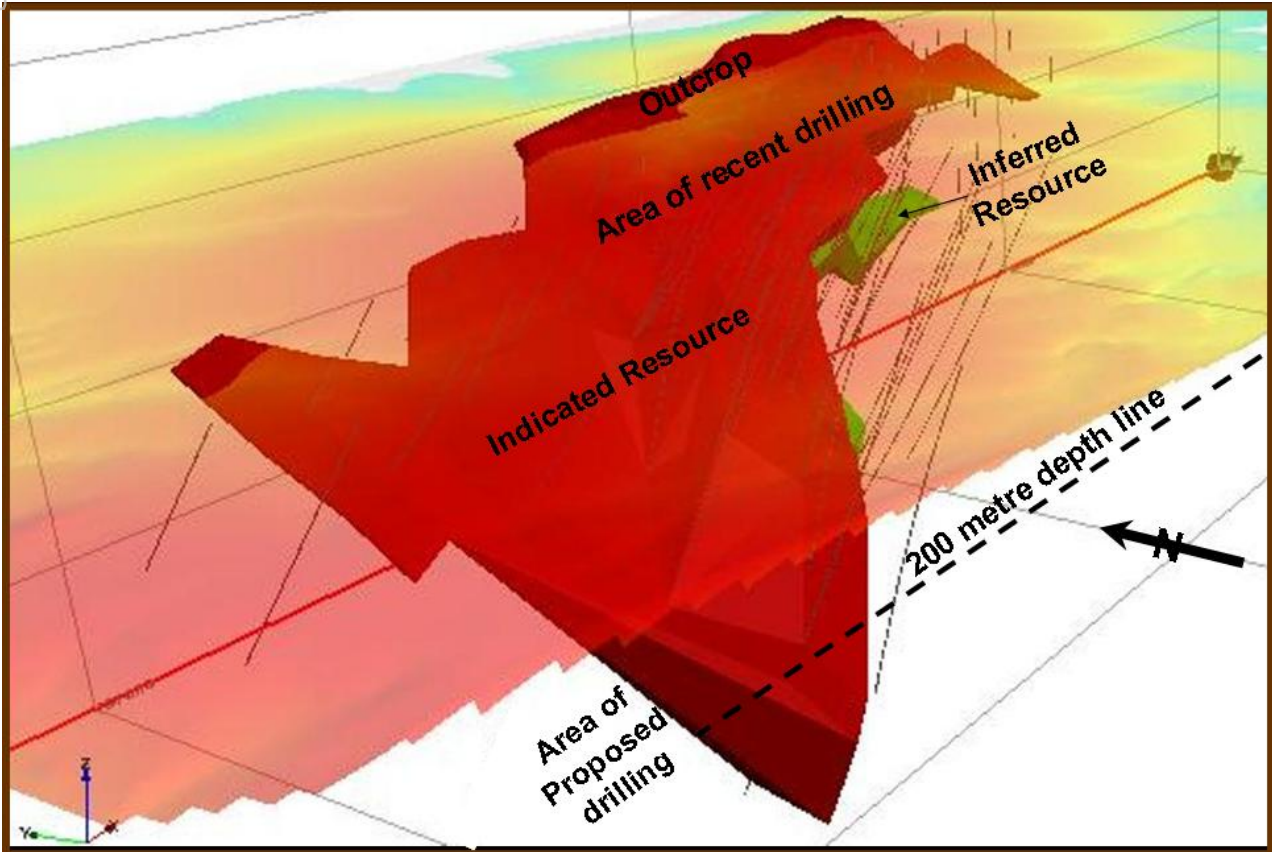
**Figure 2: Map of Kaiser Bill drilling showing locations of recent results and the best drill holes. Many of the most strongly mineralised holes are in the southwestern corner of the deposit. Further drilling is required in this direction to explore for more tonnage to add to the resource.**



## Kaiser Bill future drill programme

Although there is some potential to add to the mineralisation in the shallow, eastern end of the Kaiser Bill deposit, it is in the deeper higher grade southwestern edge of the deposit where potential exists for significantly larger tonnage at a higher grade. Clearly the deposit, as shown in Figures 2 and 3, is thicker and higher than average grade in this area. It is also open to the west and down-dip to the south.

Drilling is planned for April with the objective of demonstrating that there is the potential to double the size of the Kaiser Bill deposit down to a depth of approximately 300 metres.



**Figure 3: Perspective view of the Kaiser Bill deposit from the southwest. The Indicated Resource is shown in red. The recent drilling was all in the shallow parts of the deposit while the drilling proposed for April is targeted at extending the deeper thicker, higher grade portion of the deposit between about 150 and 300 metres deep. There is potential to double the resource.**

## Exploration in the Einasleigh area

As illustrated in Figure 1, Copper Strike has several licences in the Einasleigh region. All of the resources and more advanced exploration prospects occur on the central EPM 13072. Advanced exploration work including drilling is planned for some of these prospects, including Stockman in the western part of the licence.

Copper Strike will initiate grass roots coverage of the other EPM applications in the area, which, for the most part, are located immediately surrounding the central tenement. In addition, Copper Strike has EPMA 18284, approximately 40 kilometres southeast of Einasleigh, which is interpreted to contain the prospective Einasleigh rock units under a thin cover sequence.

## Einasleigh Copper Mine drilling

The diamond drilling test of a geophysical target at the Einasleigh Copper Mine resource was not completed before the onset of the wet season. It will be completed in April.

## Corporate

The Feasibility Study that was completed last year indicates that the Einasleigh Project would be very profitable at today's prices and exchange rates. It also shows that it would be vulnerable to a major drop in the price of copper. The drilling that is planned in the near future has the objective of making the project more robust in all foreseeable copper price scenarios.

In preparing the project for development, Copper Strike will advance the environmental permitting. The company has engaged Coffey Environments Australia to complete the environmental studies and planning necessary to have the Kaiser Bill and Einasleigh Mining Leases granted. This includes a number of significant items and is scheduled to be completed by the end of 2010.

Through the completion of the outlined programmes, Copper Strike's objective is to be in a position to make a development decision on the Einasleigh Project by early 2011.

Another key aspect of development planning is the financing of the project. Several possibilities are being considered and investigated for the future funding of the project, including the introduction of strategic partners. Discussions are proceeding well on several fronts.

In January, Copper Strike 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 the near future.

At 31 March 2010, Copper Strike had \$3.3 million in the bank which is ample to carry out all of these planned activities.

*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 \$0.10 (13 April 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](mailto:tom.eadie@copperstrike.com.au)

[www.copperstrike.com.au](http://www.copperstrike.com.au)

## APPENDIX 1 – Executive Summary of the Kaiser Bill Resource Estimate

The Kaiser Bill copper project is located near the township of Einasleigh, approximately 70 km southeast of Georgetown in northern Queensland. Copper Strike Ltd acquired an exploration license over the area in 2004 and began a program of reverse circulation and diamond drilling late in 2004. At the end of the first stage of drilling (Stage 1), Copper Strike contracted Golder Associates Pty Ltd (Golder) to compile a first-pass geological model and resource estimate for the deposit using ordinary kriging.

Copper Strike subsequently undertook several phases of resource extension and infill drilling programs. At each stage Golder updated the resource model.

In late 2009, Copper Strike drilled 10 RC holes, one diamond hole, and 3 RC hole extensions (Stage 6). These holes were designed to infill down dip areas in the eastern half of the deposit.

Golder was commissioned in March 2010 to analyse the expanded data set and construct a new model of the deposit incorporating the Stage 6 drilling data. The work included revision of the geological model based on the new drill holes, as well as a statistical analysis of the data, and the creation of a new block model with grades estimated by Multiple Indicator Kriging (MIK) and unfolding techniques. This method allows evaluation of the resource model at a range of cut-off grades and for various selective mining scenarios.

The Mineral Resources estimated by Golder Associates at a 0.4% Cu cut-off grade for a selective open pit mining scenario with a selective mining unit of 5 m by 5 m by 2.5 m, and quoted to an appropriate level of precision, are:

Indicated Mineral Resource: 13.5Mt @ 0.84% Cu, 0.13g/t Au, 6.3g/t Ag

Inferred Mineral Resource: 1.5Mt @ 0.85% Cu, 0.08g/t Au, 10.5g/t Ag

**Total Mineral Resource: 15.0Mt @ 0.84% Cu, 0.13g/t Au, 6.8g/t Ag**

The resource estimates were classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2004).

This Mineral Resource estimate includes oxidised mineralisation. It is not clear whether the oxidised zone mineralisation (0.7Mt of oxide material and 0.2Mt of transition material) can be treated economically.

The changes in the resource tonnage and grade are attributed to a revised geological interpretation based on the Stage 6 drilling as well as lower grades returned from the Stage 6 drill holes.

*These estimates are based upon and accurately reflect data compiled and analysed under the supervision of John Horton, Principal Geologist, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. John Horton has sufficient experience which is relevant to this style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves'.*

# 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")

December 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	(285)	(607)
	(b) development		
	(c) production	-	-
	(d) administration	(202)	(733)
		-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	37	66
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(8)	(20)
	<b>Net Operating Cash Flows</b>	<b>(458)</b>	<b>(1294)</b>
<b>Cash flows related to investing activities</b>			
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)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	(458)	(1294)

1.13	Total operating and investing cash flows (brought forward)	(458)	(1294)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	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)
	<b>Net financing cash flows</b>	-	2646
	<b>Net increase (decrease) in cash held</b>	(458)	1,352
1.20	Cash at beginning of quarter/year to date	3798	1,988
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	3340	3340

### 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	71
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 \$1,073 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	500
4.2 Development	-
<b>Total</b>	<b>500</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	175	61
5.2 Deposits at call	1154	974
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank Term Deposits	2011	2763
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,340</b>	<b>3798</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	EPM18165 EPM18257 EPM18558	0% 0% 0%	100% 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	<b>Preference securities</b> (description)	-	-	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	
7.3	<b>+Ordinary securities</b>	116,455,571	116,455,571	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (description)	-	-	

For personal use only

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

15 April 2010  
Date: .....

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.

== == == == ==