



ASX Release  
29 October 2010

ASX Code  
CSE

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**QUARTERLY REPORT ON ACTIVITIES**  
**July to September 2010**

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**Corporate Activities**

- The Directors of Copper Strike were advised on 12 October of Kagara Limited's intention to make a conditional takeover offer for all the shares in the Company at a price of 11c each. The Directors believe that the quantum and timing of the offer are highly opportunistic and recommend that the shareholders take **NO ACTION** at this time. The Directors will provide further advice to shareholders once the formal offer is received.
- Copper Strike has formed a strong team to assist the Directors in responding to the Kagara offer including professionals from SLM Corporate Pty Ltd (advisor), Baker & McKenzie (legal), RSM Bird Cameron (accounting) and Mining One (technical).
- In late September, Copper Strike signed an agreement with Teck Australia Pty Ltd (Teck) to acquire all of Teck's remaining rights in the Einasleigh and Walford Creek Projects. The rights acquired included Teck's rights to earn a 51% interest in any new Copper Strike discovery and a first right of refusal on concentrate marketing. The removal of these rights was a very important milestone for Copper Strike.
- At 30 September 2010, Copper Strike had \$1.9 million in the bank.

*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**

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## Projects - 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, the resources and the best prospects are shown in Figure 1 while the up-to-date resource inventory is detailed in Table 1.

During the Quarter, Copper Strike conducted drilling at the Kaiser Bill deposit for resource extension purposes. Other field work included:

- Geotechnical drilling to help with mining design at Kaiser Bill
- Environmental work to enable the granting of the MLs
- Further assessment of exploration prospects to help plan future drilling.

Next Quarter, field work will include drilling at Galatea (copper-gold) and Teasdale (copper-silver).

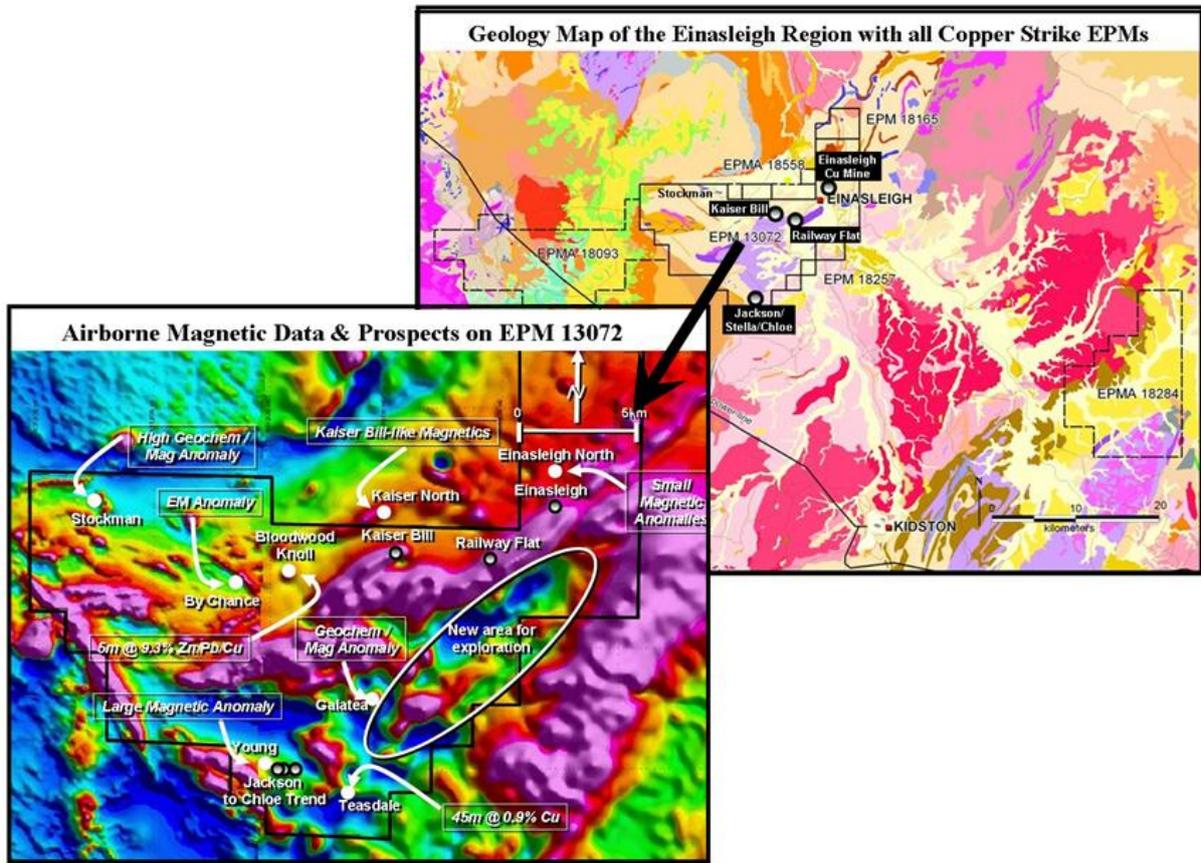


Figure 1: Regional geological map showing Copper Strike's exploration ground and the resources and other prospects, along with magnetic data and prospects on the core Einasleigh EPM 13072.

Mineral Resources	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 Mineral Resources at October 2010 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 recent drilling

Results have confirmed the extension of copper mineralisation at the Kaiser Bill deposit down dip and down plunge to the southwest. Drill hole KB144 was a down dip test on Section 1 (see Figure 2) while KB142 and KB145 were up dip tests of KB107 on Section 2. All are located in the expanding southwest corner of the deposit.

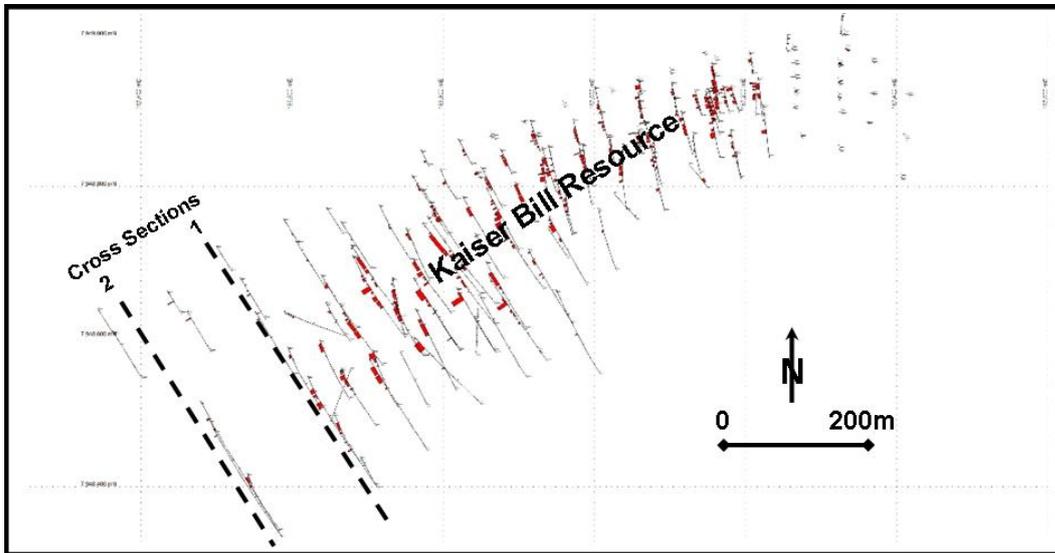


Figure 2: Kaiser Bill resource drilling outline showing the location of the cross sections for the recent drilling to extend the deposit to the southwest.

Hole KB144 at Kaiser Bill has extended the mineralisation down-dip by some 50 metres of earlier hole KBDD017 on Cross Section 1, with the following intercepts.

- 5m @ 1.22% copper, 10.2g/t silver and 0.01g/t gold from 196m
- 2m @ 0.74% copper, 9.4g/t silver and 0.08g/t gold from 234m
- 7m @ 0.62% copper, 3.4g/t silver and 0.05g/t gold from 271m and
- 29m @ 0.61% copper, 4.1g/t silver and 0.10g/t gold from 285m

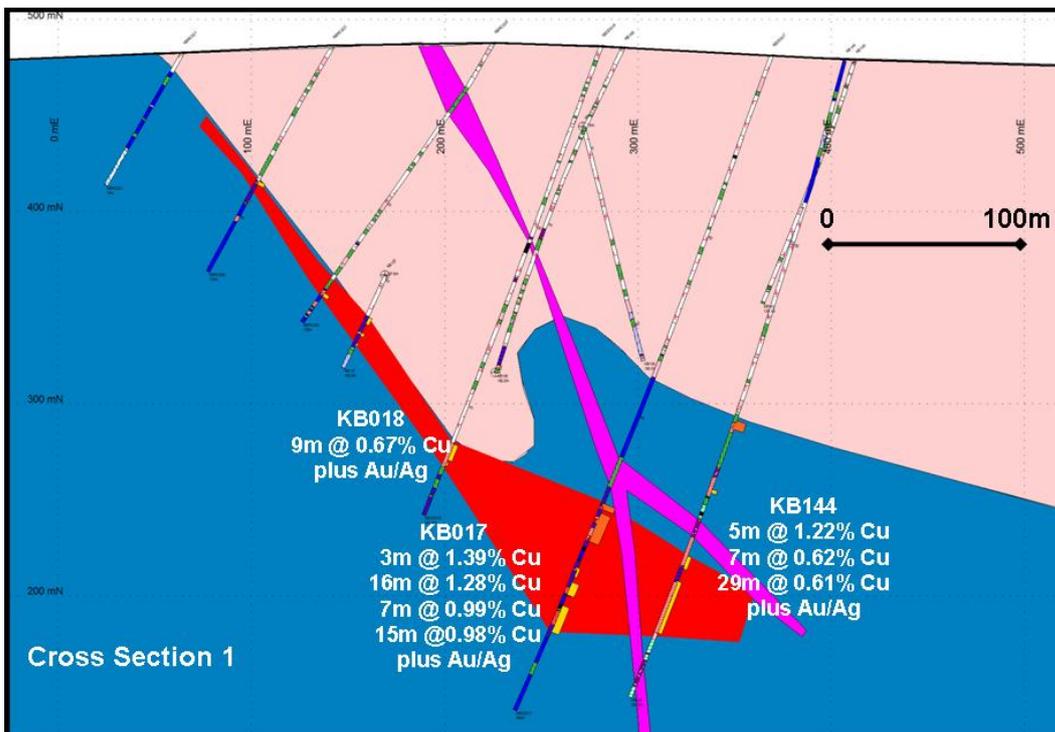


Figure 3: Kaiser Bill cross section 1 showing the location of the recent drill hole KB144, extending the intersection in KBDD017 50m down dip. Red is the mineralisation envelope, blue is biotite gneiss, violet is diorite and pink is leucogneiss.

On the westernmost section at Kaiser Bill, Cross Section 2, two holes were drilled to test the up-dip extension of earlier encouraging intersections in KB107 (combined intercepts of 41m @ 0.8% Cu). Both KB142 and KB145 flattened (despite efforts to keep them straight) and tested well up-dip from KB107. The intercept in KB145 is some 90 metres up-dip of that in KB107, while KB142 is a further 25 metres up dip. This section clearly requires further drilling. There is large potential between drillholes KB145 and earlier drillhole KB107. In addition there is good potential beneath drillhole KB107, although this is greater than 300 metres deep.

The recent up dip intersections are as follows:

- KB142: 2m @ 0.74% copper, 9.5g/t silver and 0.01g/t gold from 268m
- KB142: 4m @ 0.85% copper, 8.9g/t silver and 0.04g/t gold from 305m
- KB145: 6m @ 0.50% copper, and 0.03g/t gold from 312m

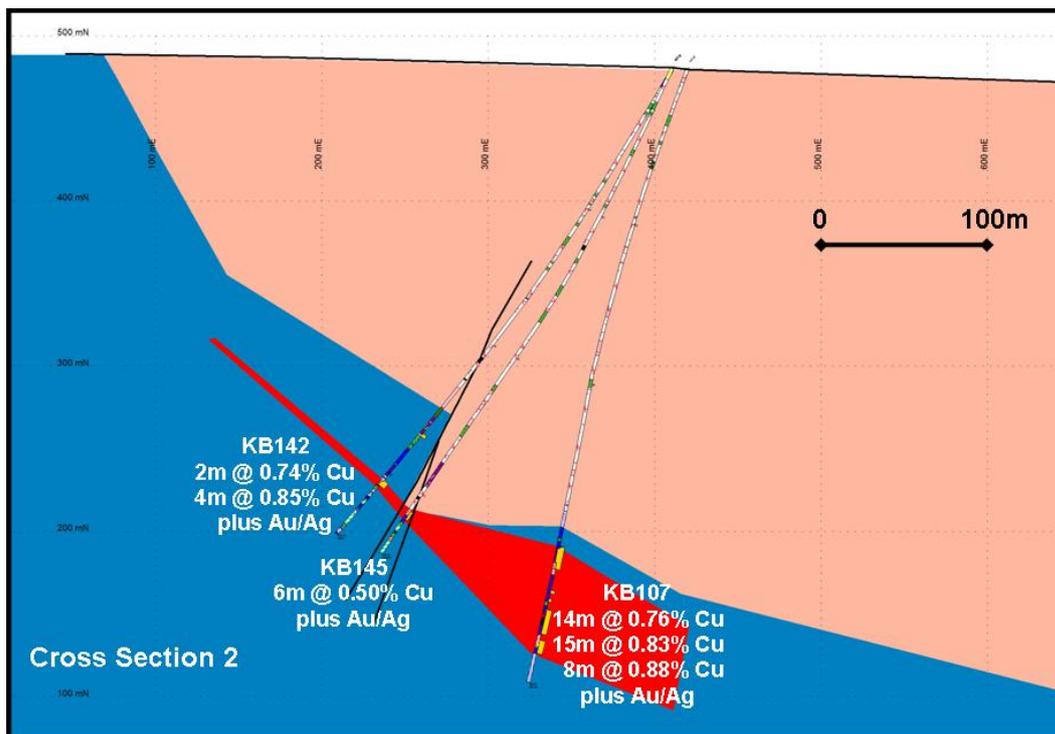


Figure 4: Kaiser Bill Cross Section 2 showing the location of the recent drillholes KB142 and 145, some 90m up-dip of KB107. Legend as in Figure 3.

### Upcoming Exploration Drilling

Exploration drilling is due to begin next week with a four hole drill programme at the new copper-gold prospect, Galatea, and at Teasdale, a more advanced copper prospect.

### Geotechnical Drilling

Extensive geotechnical work was completed during the Quarter at Kaiser Bill, including 10 diamond drill holes and down-hole video monitoring of a number of earlier holes. The results, interpreted by Coffey Mining, have enabled pit wall slopes to be accurately defined, enabling refining of the overall pit design, stripping ratio, mining scheduling and waste rock volumes.

## Environmental Permitting

Environmental work progressed, with the completion of Phase 1 of the planned program by Coffey Natural Systems. The main outcomes of Phase 1 are:

- The locations of the proposed tailings dams and waste rock dumps have been modified, resulting in a proposed increase to the size of the Kaiser Bill Mining Lease Application.
- There is a clear path forward to completion of permitting.

## Walford Creek

Joint Venture partners MM Mining have started their drilling programme on the Walford Creek prospect, with the objective of increasing the size of the current Inferred Resource (6.5 million tonnes containing 0.6% copper, 1.6% lead, 2.1% zinc, 25g/t silver and 0.07% cobalt). MM Mining can earn between 51 and 70% of the project by completing various work programmes.

## Tom Eadie Managing Director

*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

129,455,571 shares  
2,200,000 unlisted options  
Share Price \$0.125 (28 Oct 2010)

### Key Shareholders

Teck Australia Pty Ltd 16.7%  
Citicorp Nominees 7.0%  
Acorn Capital 5.5%

### 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

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Copper Strike Ltd

ABN

16 108 398 983

Quarter ended ("current quarter")

September 2010

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(453) - - (232)	(453) - - (232)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	31	31
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(92)	(92)
<b>Net Operating Cash Flows</b>		<b>(746)</b>	<b>(746)</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)	(746)	(746)

1.13	Total operating and investing cash flows (brought forward)	(746)	(746)
	<b>Cash flows related to financing activities</b>		
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)	-	-
	<b>Net financing cash flows</b>	--	-
	<b>Net increase (decrease) in cash held</b>	(746)	(746)
1.20	Cash at beginning of quarter/year to date	2,597	2,597
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,851	1,851

### 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	125
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 above includes payments to Inkprintz of \$3,120 for geological and other 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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	450
<b>Total</b>	<b>650</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	156	103
5.2 Deposits at call	278	462
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank term deposits	1,417	2032
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,851</b>	<b>2,597</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			

## 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>	129,455,571	129,455,571	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,000,000	13,000,000	-	-
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>	1,300,000	-	<i>Exercise price 25 cents</i>	<i>Expiry date 31 October 2010</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>				

## 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.

*David L Ogg*

29 October 2010

Sign here: ..... Date: .....  
(Director/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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