



5 November 2010

The Manager
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir

Letter to Shareholders about Kagara Ltd Takeover Offer

I have attached a letter to Shareholders which has been mailed out today about the timing of information flow from Copper Strike regarding Kagara Limited's takeover offer for Copper Strike.

Yours sincerely

A handwritten signature in black ink, appearing to read "Tom Eadie". The signature is fluid and cursive, written over a light blue horizontal line.

Tom Eadie
Executive Chairman

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



5 November 2010

Dear Fellow Shareholders

Kagara Limited Takeover Offer

By now you are probably aware that Kagara Limited ("Kagara") has announced its intention to make an off-market cash takeover bid at 11 cents per share for your shares in Copper Strike ("the Offer"). You have received or will shortly receive in the mail the formal Offer document from Kagara (the Bidder's Statement). This will be followed in about two weeks by the Target's Statement, which will be your Director's formal response.

The preliminary view of the Directors is that the amount and the timing of the Offer are highly opportunistic. Your Directors believe that Copper Strike's assets are valuable and have excellent potential. As disclosed in the recently released 2010 Annual Report, feasibility studies indicate strong economics for the Einasleigh Project based on current commodity price. Furthermore, we have identified several excellent exploration targets in the Einasleigh area, some of which will be drilled within the next month.

In announcing the Offer, Kagara acknowledged that it has unique synergistic benefits which it can extract from Copper Strike's assets given the proximity of its Mt Garnet and Thalanga processing facilities. Obtaining control of the Company would provide Kagara with the opportunity to establish an important source of ore for these facilities. In our opinion, Kagara should not obtain control of the Company without paying a price which appropriately reflects the underlying value of Copper Strike's assets to them.

Your Board has assembled a strong team to assist us in relation to the Offer. SLM Corporate has been appointed as financial adviser. SLM has significant experience advising in the resources sector. As well as SLM, the team includes Baker & McKenzie as legal advisers. RSM Bird Cameron and Mining One Consultants will act as independent experts. Since the Offer was announced on 12 October 2010, your Directors have instituted a process to ensure that all options to maximize shareholder value are carefully considered. Our firm view is that if control is to pass, it should be at a fair price.



We will provide further details of the Board's recommendation in our Target's Statement which you should receive in the third or fourth week of November 2010. This will be mailed to you, and a copy will also be available from our website at www.copperstrike.com.au, as will news of any other developments in relation to this Offer.

In the meantime, we urge all Copper Strike shareholders to hold firm and **TAKE NO ACTION**. Please call Copper Strike's offices on (03) 96400955 should you require any further information.

Yours sincerely

Tom Eadie

A handwritten signature in black ink, appearing to read "Tom Eadie". The signature is written in a cursive style with a large initial "T" and "E".

Executive Chairman

Registered Office

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