



ASX Release
31 January 2011

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES October to December 2010

Funding Agreements

Copper Strike today announced a **Placement Agreement** with Beijing Jintai Yuanchung Mining Co. Ltd ("Jintai") and Taifeng Yuanchung International Development Limited ("Taifeng HK") and a **Development Agreement** with Taifeng HK. The Placement Agreement is subject to confirmatory due diligence, and approvals by Copper Strike shareholders, FIRB and various Chinese government agencies. The Development Agreement is subject to the above plus a successful Bankable Feasibility Study. Further details of these agreements are in the announcement made to ASX today.

The **Placement Agreement** involves the issuing of 32,343,668 shares at 18c per share to raise \$5.82 million, followed by put and call options over the next three years totalling 31,418,030 shares at 18c per share to raise an additional \$5.64 million. Assuming no other placements take place in the next few years, Jintai will have an 18% interest in Copper Strike and Taifeng HK will have a 15% interest.

The **Development Agreement** allows Taifeng HK to earn a 70% interest in the Einasleigh Project in North Queensland by the expenditure of \$95 million on the development of the project. A further \$5 million in debt will be provided to Copper Strike to cover further development expenditure. Taifeng HK will also have a first right of refusal to concentrate output from the operation.

Further details will be sent to all shareholders to allow an in-depth analysis of the agreements and their impact on Copper Strike's future. It has been Copper Strike's strategy for over a year to attract a strategic partnership of this quality. Copper Strike's Board of Directors believe that this arrangement is much superior to Kagara's continuing low-ball bid of 11 cents per share which has now been unsuccessfully on the table for almost four months.

Walford Creek

Strong results were received from drilling by joint venture partner MM Mining (earning 70%) at the Walford Creek Project in NW Queensland. The results extend the thick high grade portion of the deposit by 200 metres to the east where it remains open at a shallow depth. Best results were in:

WFDD87 which returned 17.1 metres @ 1.94% copper, 2.41% lead, 0.71% zinc, 29.0g/t silver and 0.43% cobalt from 76 metres and

WFDD88 which returned 14 metres @ 1.63% copper, 18g/t silver and 0.086% cobalt from 164metres, as well as 5.5 metres @ 4.9% lead, 4.2% zinc and 87g/t Ag from 158 metres.

MM Mining is planning a more substantial drilling programme for 2011.

For personal use only

Administration

At 31 December 2010, Copper Strike had \$1.3 million in the bank. Most activity and expenditure during the past quarter was focussed on defending Copper Strike from Kagara's very low bid for the Company.

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.

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

Share Price \$0.12 (28 Jan 11)

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 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, 01/06/10.

Name of entity

Copper Strike Ltd

ABN

16 108 398 983

Quarter ended ("current quarter")

December 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(230)	(683)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(452)	(684)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	21	52
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	101	9
	Net Operating Cash Flows	(561)	(1,307)
	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)	(561)	(1,307)

1.13	Total operating and investing cash flows (brought forward)	(561)	(1,307)
	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	(561)	(1,307)
1.20	Cash at beginning of quarter/year to date	1,851	2,597
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,290	1,290

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	185
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 \$5,265 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
Total	650

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	495	156
5.2 Deposits at call	683	278
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank term deposits	112	1,417
Total: cash at end of quarter (item 1.22)	1,290	1,851

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			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	129,455,571	129,455,571	FP
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities	-	-	-
	<i>(description)</i>			
7.6	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through securities matured, converted			
7.7	Options	900,000	-	<i>Exercise price</i> 30 cents
	<i>(description and conversion factor)</i>			<i>Expiry date</i> 31 July 2014
7.8	Issued during quarter	-	-	-
7.9	Exercised during quarter	-	-	-
7.10	Expired during quarter	1,300,000	1,300,000	25 cents 31 October 2010
7.11	Debentures			
	<i>(totals only)</i>			
7.12	Unsecured notes			
	<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

28 January 2011

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.

=====