



KAGARA LTD

21 February 2011

Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ABN 36 008 988 583
Second Floor,
24 Outram Street
West Perth
Western Australia 6005
PO Box 1320
West Perth, WA 6872
Tel: + 61 8 9481 1211
Fax: + 61 8 9481 1233
E-mail: admin@kagara.com.au
Web: www.kagara.com.au

COPPER STRIKE TAKEOVER OFFER TO CLOSE **ON 28 FEBRUARY 2011**

Dear Sir

Please find attached a Notice under section 630(3) of the Corporation Act 2001 (Cth) in relation to Kagara's off-market takeover bid for Copper Strike Limited (CSE).

Kagara wishes to further advise that its takeover bid for CSE will not be extended beyond the closing date of 28 February 2011. CSE shareholders wishing to accept into the bid are therefore encouraged to submit their acceptance forms as soon as possible.

As previously announced, Kagara has a pre-bid acceptance agreement in place with CSE's largest shareholder, Teck Australia Pty Ltd (Teck), under which Teck has agreed to accept the Offer in relation to its 16.7% shareholding in the Company. Including on-market purchases, Kagara now holds, or has the right to acquire, a 17.5% holding in CSE.

Although CSE directors have today recommended rejection of the Kagara bid, CSE shareholders should carefully consider the ramifications of supporting the financing proposal by Jintal and Taifing HK (Jintal) as an alternative to the Kagara offer. The complex Jintal funding proposal requires Chinese, Australian and regulatory approvals, none of which are guaranteed to be forthcoming. If all of these approvals are received, then CSE will be locked into a development, managed by overseas corporations with little experience of mining in Australia.

I urge you to accept the certainty of Kagara's offer.

Yours faithfully

Kim Robinson
Executive Chairman



KAGARA LTD

ABN 36 008 988 583
Second Floor,
24 Outram Street
West Perth
Western Australia 6005
PO Box 1320
West Perth, WA 6872
Tel: + 61 8 9481 1211
Fax: + 61 8 9481 1233
E-mail: admin@kagara.com.au
Web: www.kagara.com.au

Notice under section 630(3) of the Corporations Act 2001 (Cth)

STATUS OF DEFEATING CONDITIONS

This notice is given in respect of the offer (**Offer**) made by Kagara Limited ACN 008 988 583 (**KZL**) pursuant to a bidder's statement dated 18 October 2010 (**Bidder's Statement**) (as varied by Notices of Variation of Offer dated 23 November 2010, 17 December 2010 and 21 January 2011).

On 17 December 2010 KZL declared that the Offer had become unconditional. KZL gives notice, pursuant to section 630(3) of the *Corporations Act 2001* (Cth), that the Offer has been freed from all of the conditions contained in section 6.1 of Part 6 of the Bidder's Statement.

As at the date of this notice, KZL's voting power in Copper Strike Limited is 17.5%.

This notice has been approved by a resolution of the directors of KZL.

DATED: 21 February 2011

Kim Robinson
Director
Kagara Limited

For personal use only