



ASX Release
28 April 2011

ASX Code
CSE

Finalisation of Amendments to Agreement with Jintai and Taifeng

Copper Strike is pleased to announce that the amendments to the Placement Agreement and JV Development Agreements referred to in our letter to shareholders on 12 April 2011 have now been finalised with Beijing Jintai Yuanchuang Mining Co. Ltd ("Jintai") and Taifeng Yuanchuang International Development Limited ("Taifeng HK").

The amendments have been agreed primarily to facilitate the granting of the requisite Chinese government approvals. The final agreements and amendments are summarised below.

Copper Strike will send out the Notice of Meeting to shareholders as soon as possible, together with an Independent Expert's Report. The information contained in the Notice of Meeting will enable shareholders to consider the agreements with Jintai and Taifeng HK so that they will be able to make an informed vote at the shareholders' meeting planned to take place in late May or early June.

Tom Eadie
Managing Director

Corporate Details

Issued Capital

129,455,571 shares
Share Price \$0.13 (27 April 11)

Key Shareholders

Kagara Ltd 17.5%
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

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.

For personal use only

Placement Agreement

In the Placement Agreement, Jintai and Taifeng HK have agreed to invest \$5.822m, at 18 cents per share, for a 19.99% interest (32,343,668 shares) in Copper Strike. Pursuant to the terms of the Placement Agreement, there will be a put and call option arrangement with Jintai and Taifeng HK ("Options") at 18 cents per share, for a further 13.01% interest (assumes no further shares are issued) in Copper Strike, exercisable for an aggregate amount of \$5.64m (a further 31,418,031 shares) by Jintai and Taifeng HK within 3 years of their date of issue. Copper Strike may require Jintai and Taifeng HK to exercise the Options in equal tranches at the end of each year after their date of issue.

The initial funding under the Placement Agreement will be used by Copper Strike to finalise a bankable feasibility study with respect to the Kaiser Bill, Einasleigh, Chloe, Jackson and Stella deposits ("Key Deposits") within the Einasleigh Tenements and for further exploration on these deposits.

The successful conclusion of the placement and issue of the Options under the Placement Agreement are subject to: Copper Strike shareholder approval, FIRB approval and Chinese government approvals. Following the placement, Taifeng will be invited to nominate a non executive director to join the Copper Strike board.

This agreement was amended to clarify that the subscription funds may be used by Copper Strike for further exploration and to clarify that the condition precedent of Chinese regulatory approvals relates to approval of the placement and option, and not the subsequent farm-in.

JV Development Agreement

Under the JV Development Agreement, if the bankable feasibility study meets certain milestones with respect to estimated recoverable resource, production costs and development costs for the Key Deposits, an unincorporated joint venture will be established at Taifeng's option between Taifeng HK and Einasleigh Mining Pty Ltd ("EM"), a wholly owned subsidiary of Copper Strike which has applied for the mining leases for the Key Deposits. If the JV is formed, Taifeng HK will provide \$95 million by way of farm-in for a 70% interest in the Einasleigh Tenements. Taifeng HK will provide a further \$5 million loan to CSE. CSE will make available to the development funding, as necessary, the proceeds of the Taifeng HK loan and the proceeds received from the exercise of the Options.

The JV Development Agreement is a short form binding document, which is intended to be replaced with a standard farm-in and joint venture agreement. Its terms include the appointment of Taifeng HK as the manager of the joint venture, the inclusion in the joint venture of all other tenements held by Copper Strike (other than those related to the Walford Creek project), the establishment of an Operating Committee where the parties will have a voting interest equal to their joint venture interest and, in order to further protect Copper Strike's interests, a list of operational matters that require the unanimous consent of the parties.

This agreement was amended to clarify the milestones which would trigger Taifeng HK's option to fund the development and to clarify certain other conditions precedent that are to be completed before the funding is made available (such as the issue of the relevant mining leases, finalisation of access agreements with land/native title holders and relevant Chinese regulatory approvals).

Offtake Agreement

Taifeng HK and Copper Strike have also entered into an offtake term sheet providing Taifeng HK with the right of first refusal to purchase Copper Strike's 30% of the offtake under the joint venture.

For personal use only

About Sichuan Taifeng Group

Founded in 1997, Sichuan Taifeng Group Co., Ltd. ("Taifeng") is a privately owned company based in Chengdu in Sichuan Province, China. Taifeng HK is an associate of this company. Taifeng has businesses in materials trading, real estate development, industrial manufacturing, mineral resources development and education sectors, with more than 1500 employees. Taifeng has been given an "AAA Credit Enterprise" rating by Agricultural Bank of China Sichuan branch for the past seven years and has been listed in the Top 100 Enterprises with Best Growth potential in Sichuan Province.

The materials trading business has been the cornerstone for Taifeng's development, specialising in chemicals, building materials, steel products, tungsten, glass products, etc. Since 2001, Taifeng has been involved in real estate development, with developments covering office buildings, convention and exhibition centres, shopping malls and large-scale residential developments. Taifeng is jointly developing Aerospace Tower, the tallest building in Chengdu, Sichuan Province. Taifeng manufactures industrial pumps, wear resistant cast iron pipes, high pressure gases compressors, nitrogen manufacturing equipment and liquid gas transportation pressure vessels.

In the resources sector, Taifeng is involved in a tailings project focused on the recovery of tungsten, copper and sulphur. Taifeng has been actively looking for overseas investment opportunities in the resources sector. In January 2010 Taifeng announced a \$47.1m funding agreement with Australian listed company IMX Resources for the Cairn Hill development which was completed during 2010.

About Sichuan Bureau of Metallurgical Geology & Exploration (SBMGE)

Based in Chengdu, Sichuan, China, SBMGE is a stated owned, professional exploration and minerals development bureau with 50 years of minerals exploration and 10 years of minerals development and mining experience. It has three mines in China including two gold mines and one lead-zinc mine. SBMGE has a very good and high level exploration team including geochemical, geophysical, and topography survey teams, as well as a drilling company and an assay laboratory.

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