



ASX Release
5 July 2011

ASX Code
CSE

Update on Alternate Proposal Received

Copper Strike ("CSE") wishes to provide an update to the market regarding the unsolicited indicative alternate proposal to the Taifeng HK and Jintai proposal referred to in the ASX announcement on 23 June.

The Board advises that the alternate proposal is from Kagara Limited ("Kagara") and constitutes a conditional offer to acquire CSE's Einasleigh project in North Queensland for a cash sum of A\$16 million, plus the cancellation of the 22.6 million CSE shares held by Kagara for no additional payment by CSE ("the Kagara Offer").

The Kagara Offer is subject to the parties entering into definitive documentation, and to CSE obtaining shareholder approval for the sale of the Einasleigh project (ordinary resolution) and the cancellation of CSE shares held by Kagara (special resolution). Under the terms of the Placement Agreement with Taifeng HK and Jintai, CSE is obliged to provide Taifeng HK and Jintai with 15 days notice prior to accepting an alternate proposal.

In the absence of a superior proposal, it is the Board's intention to negotiate and finalise a binding agreement with Kagara and to recommend the Kagara Offer to shareholders. If the Kagara Offer proceeds, it is the Board's intention to return a significant portion of the cash consideration to shareholders. Professional advice is being sought as to the optimal method for doing this.

If the Kagara Offer is completed, CSE will have approximately \$19.0 million in cash, plus 9 million shares in Syrah Resources Limited (ASX: SYR) currently worth approximately \$1.0 million. The number of shares on issue would reduce to 106.8 million as a result of the cancellation of Kagara's shares. This is equivalent to approximately 19 cents per share in cash and listed securities.

Shareholders should take no action concerning their CSE shares at this point in time, pending further information from the Board.

For more information, please contact:

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Corporate Details

Issued Capital

129,455,571 shares

Share Price \$0.135 (4 July 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

Ms Melanie Leydin – 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.