



ASX Release
21 July 2011

ASX Code
CSE

Shareholder Update

Copper Strike ("CSE" or "the Company") wishes to provide this update to Shareholders on the proposed sale of the Einasleigh project to Kagara Limited ("Kagara"), your Board's plans for the Company following the sale, and the scheduled requisitioned general meeting.

Proposed sale of Einasleigh to Kagara

The proposed sale of the Einasleigh project to Kagara Limited ("the Kagara transaction") is progressing as per previous announcements. A binding sale agreement is being entered into, and is expected to be finalised on or before 1 August 2011. Furthermore, CSE understands that Kagara is not supportive of the resolutions which are the subject of the requisitioned general meeting scheduled for 19 August 2011. These resolutions seek to appoint four new directors to the CSE Board.

CSE's Future Plans

Following the sale of the Einasleigh project to Kagara, it is your Board's intention to return at least \$15 million of the cash proceeds, equal to 14 cents per share after the cancellation of Kagara's shares, to shareholders.

Given the nature of, and the capital released by the disposal, it is the intention of your Board that the cash return be by way of a return of shareholder capital invested. The Directors will seek further advice on this matter before making the final cash return and advise shareholders accordingly.

While shareholders should seek their own tax advice, the Company's advice is to the effect that for Australian resident shareholders, a return of capital will only generate a taxable capital gain to the extent that the amount returned is greater than their cost base. For non-resident shareholders there is no requirement to deduct withholding tax.

CSE's plans are to retain up to \$4 million cash with a view to redeploying this to new project opportunities. Your Board has commenced the process of evaluating a number of quality project opportunities and will keep shareholders updated of developments.

Requisitioned General Meeting

As mentioned in the Notice of Meeting for the requisitioned general meeting, your Board had sought to reach out to the requisitioning parties to arrange for the date of the requisitioned general meeting to coincide with the date of the general meeting to consider the resolutions in relation to the Kagara transaction. Disappointingly, the requisitioning parties refused this request without reason, resulting in additional cost

Registered Office

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and inconvenience to CSE and Shareholders. The requisitioned general meeting has been scheduled for 19 August 2011.

Placement Agreement with Taifeng HK and Jintai

As per the terms of the Placement Agreement with Taifeng HK and Jintai, your Board gave 15 days notice to Taifeng HK and Jintai that CSE will be proceeding with the Kagara transaction, in the absence of a superior proposal. Taifeng HK and Jintai have subsequently indicated their intention to withdraw from the Placement Agreement. In that event the postponed shareholder meeting to consider the Taifeng parties' transaction will not proceed.

For more information, please contact:

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Corporate Details

Issued Capital

129,455,571 shares
Share Price \$0.13 (20 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.

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