



ASX Release
26 July 2011

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES

April to June 2011

Corporate Activity

Since the last Quarterly Report, corporate activity has been at an all time high at the expense of progress on the ground. This started in April with the finalisation of the Placement and Joint Venture Development Agreements with Chinese companies, Taifeng Yuanchuang International Development Limited ("Taifeng HK") and Beijing Jintai Yuanchuang Mining Co. Ltd ("Jintai"). Corporate activity continues to the present with the Board last week proposing a **minimum 14c per share return of capital to all Shareholders**.

- **28 April** – Placement and JV Development Agreements finalised with Taifeng HK and Jintai. Under the Placement Agreement, Taifeng HK and Jintai would earn up to a 33% interest in Copper Strike by the investment of \$11.5 million. Under the JV Development Agreement, Taifeng HK and Jintai would have the option of earning a 70% interest in the Einasleigh Project by providing a further \$95 million towards the development of the Project.
- **30 May** – Released a Notice of General Meeting which was proposed to be held on 29 June to allow Shareholders to vote on the Taifeng HK / Jintai agreements.
- **16 June** – Sale of Walford Creek for \$2.5 million finalised.
- **24 June** – Postponed the General Meeting to vote on the Taifeng HK / Jintai proposal because of a superior offer. This meeting has now been cancelled and the plan is to replace it with a General Meeting to vote on the new offer.
- **5 July** – Summarised the terms of the superior offer which was that Kagara Limited would buy the Einasleigh Project for \$16 million in cash and would agree to cancel their 22.6 million CSE shares which are worth a further \$4 million or so to CSE Shareholders. The current plan is that Shareholders would be asked to vote on this proposal at a meeting to be arranged in September. The Copper Strike Board supports this proposal in the absence of a superior offer.
- **13 July** – Announced a challenge to the Board with a small group of Shareholders requisitioning a General Meeting to vote on the appointment of four new directors.
- **20 July** – Released a Notice of Meeting to vote on the four new proposed directors. The meeting has been scheduled for 19 August. ***The CSE Board believes that this challenge is a waste of time and money and urges all Shareholders to vote against all the resolutions.*** The requisitioners were asked to delay this meeting so that it would coincide with the meeting for the Kagara vote, saving time and money. However this request was refused.
- **21 July** – Updated Shareholders on the proposed sale to Kagara and the Copper Strike Board's plans for the Company after the sale. The key points of this announcement were that, if all goes according to our plan (requisitioning directors voted down on 19 August, and Kagara proposal accepted in September), ***at least 14c per share would be returned to Shareholders.*** The Board is evaluating a number of proposals for new projects that will effectively utilise the Company's expertise.

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Administration

At 30 June 2011, Copper Strike had \$3.1 million in the bank. Most activity and expenditure during the past quarter was focussed on corporate activities.

In early May, Copper Strike announced that Melanie Leydin would be Copper Strike's new Company Secretary, replacing David Ogg who has done an excellent job over the past seven years. At the same time, the Company appointed a new auditor, Brad Taylor of Melbourne chartered accounting firm Grant Thornton Audit Pty Ltd.

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 or divestment of its advanced multi-deposit project at Einasleigh in north Queensland.

Tom Eadie Managing Director

Corporate Details

Issued Capital

129,455,571 shares

Share Price \$0.155 (25 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

Registered Office

Copper Strike Limited ABN 16 108 398 983

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COPPER STRIKE LIMITED

ABN

16 108 398 983

Quarter ended ("current quarter")

30 JUNE 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(29,038)	(763,038)
(b) development	-	-
(c) production	-	-
(d) administration	(292,592)	(1,290,592)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10,255	75,255
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	23,000
Net Operating Cash Flows	(311,375)	(1,955,375)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	2,500,000	2,500,000
(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	2,500,000	2,500,000
1.13 Total operating and investing cash flows (carried forward)	2,188,625	544,625

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	2,188,625	544,625
Cash flows related to financing activities			
1.14	Proceeds from issues of shares	-	-
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 – Capital raising costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	2,188,625	544,625
1.20	Cash at beginning of quarter/year to date	953,000	2,597,000
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,141,625	3,141,625

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
1.23	Aggregate amount of payments to the parties included in item 1.2	99,252
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, Superannuation, and Consultancy fees paid to director related entities during the June 2011 quarter. It also includes payments to Inkprintz of \$5,720 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

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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	30
4.2 Development	-
4.3 Production	-
4.4 Administration	450
Total	480

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	2,432	252
5.2 Deposits at call	597	589
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	113	112
Total: cash at end of quarter (item 1.22)	3,142	953

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	Walford Creek Exploration project	100%	Nil
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	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 <i>(description and conversion factor)</i>				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

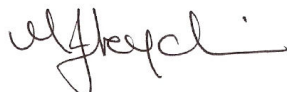
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Compliance statement

- 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.

Sign here:



Date: 26 July 2011

Company Secretary

Print name: MELANIE LEYDIN

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.

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