



ASX Release  
27 October 2011

ASX Code  
CSE

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## QUARTERLY REPORT ON ACTIVITIES July to September 2011

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### Corporate Activity

Corporately Copper Strike has been very active during the quarter. There have been two Extraordinary General Meetings of Shareholders in the last few months culminating with shareholder agreement to sell the Einasleigh Project to Kagara Limited. The major events were:

- **5 July** – Following the postponement of the 29 June General Meeting to vote on the Taifeng HK / Jintai Placement and Joint Venture Proposal because of a superior offer from Kagara Limited, Copper Strike announced the terms of the Kagara offer as follows:
  1. Kagara Limited to buy the Einasleigh Project for \$16 million in cash and
  2. Kagara to cancel their 22.6 million CSE shares.
- **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, scheduled for 19 August, to vote on the four new proposed directors.
- **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 point of this announcement was that 14c per share would be returned to Shareholders if the proposed sale of the Einasleigh Project to Kagara Limited proceeded.
- **8 August** – Sir Ron Brierley announced that he had become a substantial Shareholder of Copper Strike with a 7.63% interest. Sir Ron's interest subsequently increased to 9.60% on 12 August, 15.56% on 25 August and 16.66% on 18 September.
- **16 August** – Signed the final agreement with Kagara Limited with the terms outlined above.
- **19 August** – Challenge to the Board defeated by a Shareholder vote of 70 million shares to 21 million shares for all of the requisitioned directors.
- **14 September** – Notice of Meeting including an Independent Expert's Report was issued to provide information for the Shareholders' vote on the Kagara offer scheduled for 14 October. The three resolutions to be voted on were:
  1. The sale of the Einasleigh Project to Kagara Limited for \$16 million cash plus the cancellation of Kagara's 22.6 million shares.
  2. The selective buy-back (i.e. cancellation) of Kagara's 22.6 million shares in Copper Strike at no additional cost.
  3. Return of capital to Shareholders of 14 cents per share.

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- **14 October** – All of the three resolutions listed above were passed by a show of hands at the Extraordinary General Meeting. Proxies were strongly in favour of all resolutions. At the meeting it was confirmed that the Board is evaluating a number of proposals for new projects that will effectively utilise the Company's assets and expertise.

## Administration

At 30 September 2011, Copper Strike had \$2.6 million in the bank. Most activity and expenditure during the past quarter was focussed on corporate activities.

The indicative schedule for the administrative activities associated with the sale of the Einasleigh Project to Kagara Limited is as follows:

Receipt of cash consideration from Kagara & cancellation of shares	16 December 2011
Last day for trading in shares on a "cum" basis	20 December 2011
Trading of shares on an "ex" basis	21 December 2011
Return of capital record date	29 December 2011
Distribute cash to Shareholders	6 January 2012

## Activities Planned for the Next Quarter

The focus of the next quarter will be to acquire a major project, probably through a share based transaction, that will reinvigorate the Company by effectively utilising the Company's assets and expertise. The Board is currently evaluating a number of such proposals.

*Copper Strike (CSE) is a mineral exploration and development company that has been focused on finding and developing copper and related base metals in eastern Australia. The company aims to create Shareholder value through the acquisition of a large new project.*

**Tom Eadie**  
**Managing Director**

### Corporate Details

#### **Issued Capital**

129,455,571 shares  
 Share Price \$0.16 (26 Oct 11)

#### **Key Shareholders**

Kagara Ltd 17.5%  
 Sir Ron Brierley 16.7%  
 Citicorp Nominees 7.0%

### 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  
 Level 9 - 356 Collins Street Melbourne Victoria 3000 Australia  
 Ph 03 96400955 Fax 03 96420698 email [tom.eadie@copperstrike.com.au](mailto:tom.eadie@copperstrike.com.au)  
[www.copperstrike.com.au](http://www.copperstrike.com.au)

## 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 SEPTEMBER 2011

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(12,701)	(12,701)
(b) development	-	-
(c) production	-	-
(d) administration	(567,279)	(567,279)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20,451	20,451
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Rent received	25,020	25,020
<b>Net Operating Cash Flows</b>	<b>(534,509)</b>	<b>(534,509)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects/farmins	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(534,509)</b>	<b>(534,509)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(534,509)	(534,509)
	<b>Cash flows related to financing activities</b>		
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	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(534,509)	(534,509)
1.20	Cash at beginning of quarter/year to date	3,141,625	3,141,625
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,607,116	2,607,116

**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	81,412
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 September 2011 quarter. It also includes payments to Inkprintz of \$2,145 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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	250
<b>Total</b>	<b>300</b>

### 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	387	2,432
5.2 Deposits at call	2,104	597
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	116	113
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,607</b>	<b>3,142</b>

### 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		
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 <b>Preference securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>*Ordinary securities</b>	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 <b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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: 27 October 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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