



ASX Release
19 January 2012

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES October to December 2011

Highlights

- Completed the sale of the Einasleigh Project to Kagara Limited for \$16.0 million and the cancellation of Kagara's 22 million CSE shares
- Assets of \$18.1 million in cash (\$3.1 million after return of capital mentioned below) and 11 million shares in Syrah Resources Limited worth approximately \$2 million
- Returned \$15 million to shareholders through a 14c per share return of capital on 6 January 2012 (after end of currently reported quarter)
- Continue to investigate new opportunities which will utilise the Company's assets and skills to shareholder benefit.

Corporate Activity

Corporate activity again dominated management time during the quarter with an Extraordinary General Meeting and the Annual General Meeting plus all of the ancillary action.

- **14 October** – An Extraordinary General Meeting was held to vote on:
 1. The disposal of the Einasleigh Project to Kagara Limited
 2. The cancellation of Kagara's shares in Copper Strike
 3. A 14c per share return of capital to Copper Strike shareholders.All motions were carried on a show of hands with proxies strongly in favour of all resolutions.
- **28 October** – Notice of Meeting for the Annual General Meeting to vote on:
 1. The adoption of the Remuneration Report
 2. The re-election of Mr Barrie Laws as a director of the Company
 3. The appointment of Mr Brad Taylor of Grant Thornton as auditor.
- **18 November** – Sir Ron Brierley transferred his shareholding across to associate company India Equities which now has a 21.1% interest in Copper Strike.
- **25 November** – Announcement of the cancellation of Kagara's 22,610,761 shares as a part of the divestment of the Einasleigh Project.
- **29 November** – The Annual General Meeting approved all of the resolutions noted in the Notice of Meeting as listed above.
- **21 December** – Copper Strike received funds from Kagara for its sale of its interest in the Einasleigh Project.
- **23 December** – Announcement of Copper Strike's acquisition of 2 million shares in Syrah Resources Limited increasing the shareholding to 11 million shares.
- **6 January 2012** – Copper Strike mailed out the cheques to shareholders. This return of capital was 14c per share and totalled \$15 million.

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Administration

At 31 December 2011, Copper Strike had \$18.1 million in the bank. This amount was reduced to \$3.1 million on 6 January with the return of capital of 14c per share to all Copper Strike shareholders. Major income was the \$16 million received from Kagara, while major expenditures, other than the \$15 million return of capital to shareholders, were \$0.3 million for the acquisition of 2 million Syrah shares, and approximately \$0.3 million on fees associated with the corporate activities and administration.

Activities Planned for the Next Quarter

The focus for the next quarter will be to determine and implement a new strategy for the Company that will reinvigorate Copper Strike by utilising the Company's assets and expertise. The Board is currently evaluating a number of such proposals.

Corporate Details

Issued Capital

106,844,810 shares

Share Price \$0.032 (18 Jan 2012)

Key Shareholders

India Equities Fund Ltd 21.1%

Citicorp Nominees 8.6%

Arinya Investment PL 3.6%

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

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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")

31 DECEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (6 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(5,414)	(18,115)
(b) development	-	-
(c) production	-	-
(d) administration	(272,950)	(840,229)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28,686	49,137
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Rent received	11,000	36,020
Net Operating Cash Flows	(238,678)	(773,187)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	(300,000)	(300,000)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	16,000,000	16,000,000
(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	15,700,000	15,700,000
1.13 Total operating and investing cash flows (carried forward)	15,461,322	14,926,813

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	15,461,322	14,926,813
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	15,461,322	14,926,813
1.20	Cash at beginning of quarter/year to date	2,607,116	3,141,625
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	18,068,438	18,068,438

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	82,235
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 December 2011 quarter. It also includes payments to Inkprintz of \$2,475 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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	300

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	16,241	387
5.2 Deposits at call	1,711	2,104
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	116	116
Total: cash at end of quarter (item 1.22)	18,068	2,607

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	Einasleigh exploration project	100%	Nil
6.2	Interests in mining tenements acquired or increased			

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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	106,844,810	106,844,810	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- (22,610,761)	- (22,610,761)	- FP	- FP
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: 19 January 2012

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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