



ASX Release
20 July 2012

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES April to June 2012

Highlights

- Exploration initiated on new licence EL5415 in Victoria for heavy mineral sands.
- Share price strong because of shareholding in Syrah Resources Limited which has been the strongest minerals stock on the ASX over the last 6 months due to its large Balama graphite deposit in Mozambique.

Corporate Activity

Corporate activity continues to slow down following a hectic 2011 which ended with the divestment of key assets resulting in a return of capital to shareholders earlier this year.

- **16 April** – Merchantile Investment Company Ltd, the company where Sir Ron Brierley's 22.6 million shares resided, sold its stake to a variety of investors through Shaw Stockbroking.
- **19 April** – The Company signed an agreement with Superior Resources Limited (SPQ) whereby SPQ would acquire Copper Strike's 100% interest in the exploration ground covered by EPMA18985 in the Greenvale area of northeast Queensland for 1 million SPQ shares.
- **4 May** – Copper Strike announced that it had entered into a conditional Term Sheet to purchase Syrah Resources Limited's mineral sands exploration portfolio in Tanzania through a share-based acquisition.
- **28 May** – The Company announced that it would not proceed with the Tanzanian mineral sands acquisition because a rapid increase in the value of Copper Strike shares made this share-based deal prohibitively expensive.

Administration

At 30 June 2012, Copper Strike had \$2.8 million in the bank.

Activities Planned for the Next Quarter

Copper Strike's favoured strategy is to complete a share-based transaction to buy a new company or project. This has not yet occurred because the steadily rising Copper Strike share price has made it difficult to agree on a value of Copper Strike with prospective partners. The main focus for the next quarter will be to investigate deals to obtain a large new exploration project that will effectively utilise the Company's assets and expertise. The Board is currently evaluating a number of such proposals.

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
www.copperstrike.com.au

For personal use only

In the meantime, good exploration opportunities, such as the Victorian mineral sands project discussed below, will be investigated.

Exploration Activity

Exploration Licence EL5415 was granted to Copper Strike by the Victorian Department of Primary Industries during the quarter. Copper Strike applied for the ground because of high zircon values in past mineral sands drilling by Aberfoyle in the 1980's which had identified extensive heavy mineral sands accumulations in paleo-beaches and paleo-dune systems.

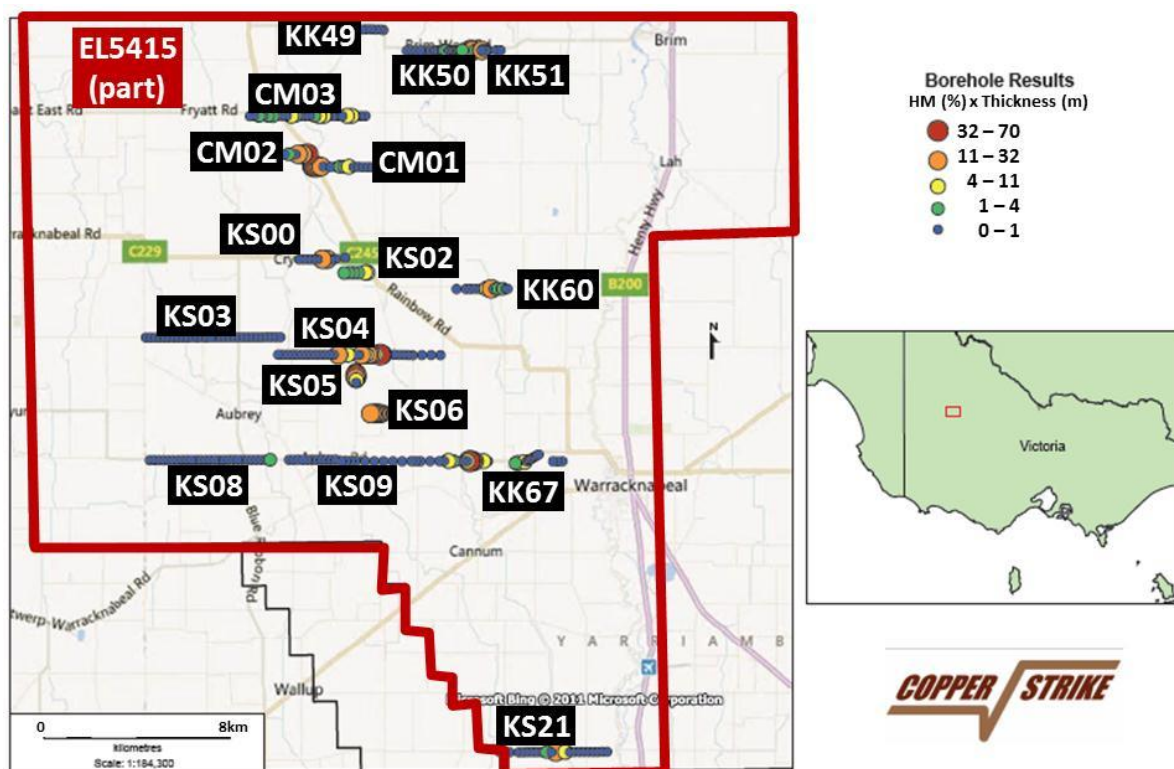


Figure 1: Part of EL5415 with the heavy mineral (HM) accumulations in old beach and dune systems identified by Aberfoyle's drill lines from the 1980's. Best drill lines appear to be KK50/51, CM01/02 and around KS04/05/06/09. Zircon levels, which are high throughout, reach over 20% of the HM concentrate in Lines KK50, KK67 and CM02.

Figure 1 shows part of the Exploration Licence where the previous drilling took place. The larger coloured circles show where the best mineralisation was intersected. Interesting grades and thicknesses of heavy minerals were drilled on Lines CM01, CM02, KS00, KK60, KS04, KS05, KS06 and KS09. In addition, the area along the strike length of KK50, KK60, KK67 and KS21 is very interesting because of the high zircon (generally >20% of the heavy mineral concentrate) content encountered on these lines. The highest zircon content of all (28% zircon) was achieved on drill line CM02.

Figure 2 shows one of the better sections, KS06, from the Aberfoyle drilling. The zone is up to 18m thick and is over 700m wide on this section. The grade is consistently over 1% HM and has some continuous zones of >3% material. The strike length, based on the current drill coverage and interpretation, is about 20km.

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
www.copperstrike.com.au

For personal use only

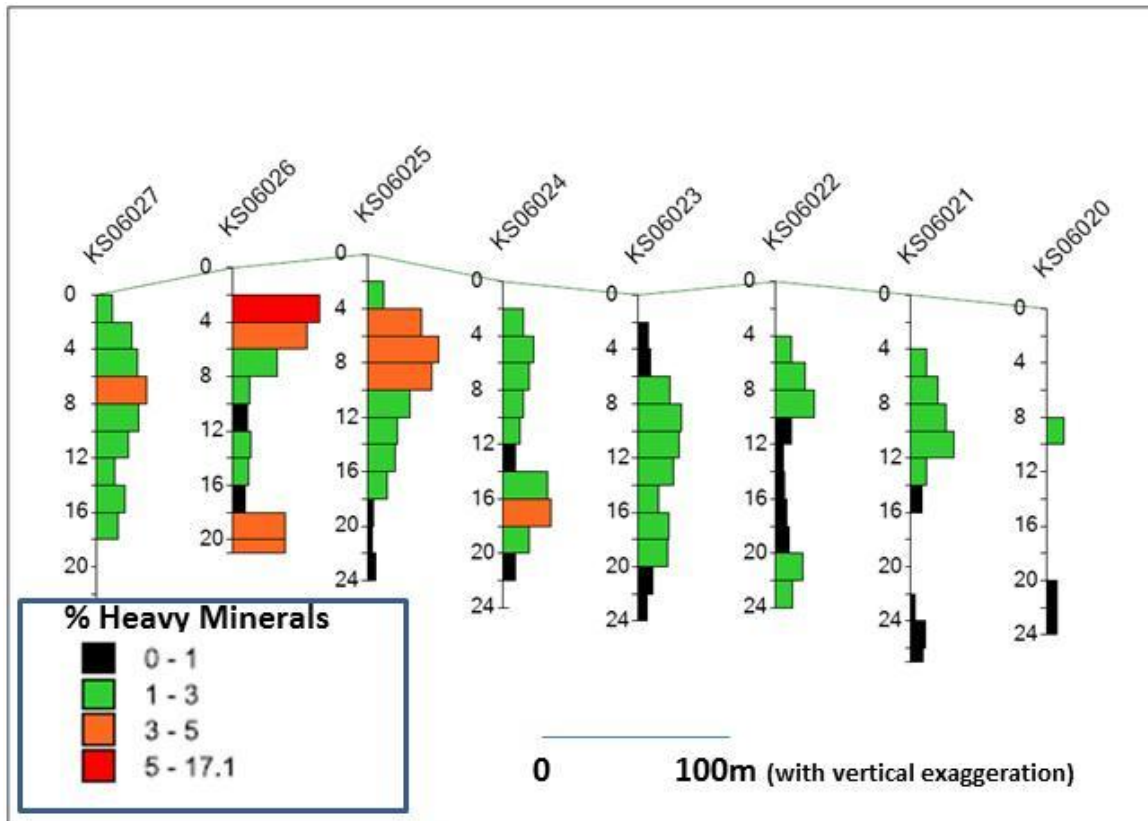


Figure 2: Cross section for Line KS06 showing the heavy mineral concentrations in the eight drill holes on the line. Mineralisation ranges up to 18m thick and is at least 700m wide on this line. Some thick areas have moderate grade and continuity. This zone shows strike continuity of about 20km in the licence area.

Potential for large tonnage, zircon-rich, heavy mineral sands, exists on EL5415 and can be assessed quickly with a short drill programme which is budgeted to cost approximately \$70,000. Target areas will be in the zone from CM02 to KS06 and in the underexplored zircon-rich trend from KK50 to KS21 which stretches for at least 30km.

The information in this report as it relates to geology, geochemical, geophysical and exploration results was compiled by Mr. Tom Eadie, FAusIMM, who is a Competent Person and Managing Director of Copper Strike. Mr. Eadie has more than 20 years of experience in the activities being reported on and consents to the inclusion of this information in the form and context in which it appears in this report.

Corporate Details

Issued Capital

106,844,810 shares
 Share Price \$0.21 (19 July 2012)

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
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 JUNE 2012

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	(59,564)	(83,258)
(b) development	-	-
(c) production	-	-
(d) administration	(141,935)	(1,259,544)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16,355	155,589
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Rent received	21,450	64,070
Net Operating Cash Flows	(163,694)	(1,123,143)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects/farmins	-	-
(b) equity investments	-	(300,000)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	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	-	-
Net investing cash flows	-	15,700,000
1.13 Total operating and investing cash flows (carried forward)	(163,694)	14,576,857

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(163,694)	14,576,857
	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 – Return of Capital to Shareholders	-	(14,958,273)
	Net financing cash flows	-	(14,958,273)
	Net increase (decrease) in cash held	(163,694)	(381,416)
1.20	Cash at beginning of quarter/year to date	2,923,903	3,141,625
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,760,209	2,760,209

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	68,158
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 2012 quarter.

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

+ See chapter 19 for defined terms.

For personal use only

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	100
Total	200

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	1,396	1,562
5.2 Deposits at call	1,246	1,244
5.3 Bank overdraft	-	-
5.4 Other – Bank term deposits	118	118
Total: cash at end of quarter (item 1.22)	2,760	2,924

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	EPM 18877	100% Interest acquired	Nil	100%
	EL 5415	100% Interest acquired	Nil	100%

+ See chapter 19 for defined terms.

For personal use only

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	- -	- -	- -	- -
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>				

+ See chapter 19 for defined terms.

For personal use only

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: 20 July 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.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only