



ASX Release
18 April 2011

ASX Code
CSE

QUARTERLY REPORT ON ACTIVITIES January to March 2011

Funding Agreements

During the Quarter, Copper Strike announced a **Placement Agreement** with Beijing Jintai Yuanchung Mining Co. Ltd ("Jintai") and Taifeng Yuanchung International Development Limited ("Taifeng HK") and a **Development Agreement** with Taifeng HK. The Placement Agreement is subject to approvals by Copper Strike shareholders, FIRB and various Chinese government agencies. The Development Agreement is subject to the above plus a successful Bankable Feasibility Study. Some modifications to the **Development Agreement** are currently being finalised after initial feedback from Chinese government agencies.

The **Placement Agreement** involves the issuing of 32,343,668 shares at 18c per share to raise \$5.82 million, followed by put and call options over the next three years totalling 31,418,030 shares at 18c per share to raise an additional \$5.64 million. Assuming no other placements take place in the next few years, Jintai will have an 18% interest in Copper Strike and Taifeng HK will have a 15% interest.

The **Development Agreement** allows Taifeng HK to earn a 70% interest in the Einasleigh Project in North Queensland by the expenditure of \$95 million on the development of the project. A further \$5 million in debt will be provided to Copper Strike to cover further development expenditure. Taifeng HK will also have a first right of refusal to concentrate output from the operation.

Further details will be sent to all shareholders in late April to allow an in-depth analysis of the agreements and their impact on Copper Strike's future. It has been Copper Strike's strategy for over a year to attract a strategic partnership of this quality.

Kagara Take-over Bid Finished

Kagara Limited's take-over bid of 11 cents per share finished unsuccessfully at the end of February. Due mostly to a pre-bid acceptance from Teck Australia Pty Ltd, Kagara now owns 17.5% of Copper Strike.

Walford Creek

Copper Strike is in the final stages of negotiating a sale of our Walford Creek interests to a party associated with our current joint venture partners, MM Mining.

Administration

At 31 March 2011, Copper Strike had \$1.0 million in the bank. Most activity and expenditure during the past quarter was focussed on defending Copper Strike from Kagara's bid and negotiating agreements with Taifeng and Jintai.

An error was noted in last quarter's cashflow statement. All remaining CSE options expired in October 2010.

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.

Tom Eadie **Managing Director**

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 a full time employee of Copper Strike Limited. Mr. Eadie has more than 20 years 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

129,455,571 shares

Share Price \$0.13 (15 April 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

Mr David Ogg – 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, 01/06/10.

Name of entity

Copper Strike Ltd

ABN

16 108 398 983

Quarter ended ("current quarter")

March 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(51)	(734)
(b) development	-	-
(c) production	-	-
(d) administration	(314)	(998)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	13	65
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	15	24
	(337)	(1,644)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(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)	-	-
	-	-
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(337)	(1,644)

1.13	Total operating and investing cash flows (brought forward)	(337)	(1,644)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
	Net financing cash flows	--	-
	Net increase (decrease) in cash held	(337)	(1,644)
1.20	Cash at beginning of quarter/year to date	1,290	2,597
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	953	953

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	123
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 above 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

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	200
4.2 Development	-
4.3 Production	-
4.4 Administration	450
Total	650

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	252	495
5.2 Deposits at call	589	683
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank term deposits	112	112
Total: cash at end of quarter (item 1.22)	953	1,290

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			

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>				

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.

David L Ogg

15 April 2011

Sign here:
(Company secretary)

Date:

Print name: David L Ogg

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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