



ASX Release
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CSE

Einasleigh Feasibility Study Results

The Einasleigh Project Feasibility Study has been completed based on the currently estimated Indicated Resources and the capital and operating cost scenario prevalent until a few months ago. Although this was originally planned to be the final, bankable document for the Einasleigh Project, Copper Strike has recognised significant opportunity to improve profitability associated with the following factors:

- 1) Recently completed extension and in-fill drilling results at Kaiser Bill are expected to be successful in increasing the tonnage and the average grade of the deposit. New drill results from Kaiser Bill will be released to the market in the next few days. A new resource figure will be available in December. The expected increase in tonnage and grade at Kaiser Bill should allow for increases in copper production rate and mine life, and thus a decrease in unit operating costs.
- 2) There has been a dramatic decrease in some of the input prices used to calculate the capital costs in the current feasibility report. For example the prices of fuel and steel have fallen substantially since the input costs were calculated.
- 3) Capital costs will be further reduced by removing some of the built-in flexibility of the designed plant. Currently the concentrator is designed on a small scale that has been duplicated to double the tonnage. This approach was utilised to enable processing of both copper and zinc-lead ore. Due to the predicted increase in the Kaiser Bill resource, this flexibility, which adds to both capital and operating costs, is no longer warranted and only copper will be processed in a larger single circuit. If and when warranted, a second circuit will be constructed for zinc-lead.
- 4) Some contractor prices are also expected to drop due to decreased demand. This will help to lower both capital and operating costs.

Over the coming months, fine-tuning of the Feasibility Study will be undertaken by incorporating the above factors.

Key parameters from the current Feasibility Study include:

- 1) Ore mined from Kaiser Bill opencut mine will be 9.7Mt (including 0.66Mt oxides) at a grade of 0.8% copper, 6g/t silver and 0.13g/t gold at a strip ratio of 4.5 to 1. This is based on the current Indicated Resource which is in the process of being upgraded.
- 2) Ore mined from the Einasleigh underground mine will be 0.36Mt at a grade of 4% copper, 18g/t silver and 0.22g/t gold.
- 3) At the present A\$ rate of US\$0.66, the operating cost per pound of copper is US\$1.44.

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- 4) Pre-production capital cost is A\$122 million using the flexible, complicated mill design described above. Estimates were made in a high cost environment.

The revised Feasibility Study should improve on these figures for the reasons mentioned on the previous page.

Copper Strike's cash position remains strong with \$3.4 million in the bank at the end of October.

Tom Eadie
Managing Director

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.

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.

The information in this report as it relates to Feasibility Study results was compiled by Mr. Trevor Hannigan, FAusIMM and CP, who is a Competent Person and has 20 years experience in the minerals industry and the activities being reported on. Mr. Hannigan consents to the inclusion of this information in the form and context in which it appears in this report.

Corporate Details

Issued Capital

91,420,571 shares
4,200,000 unlisted options
Share Price \$0.07 (19 Nov 08)

Key Shareholders

Teck Cominco Australia 9.4%
Acorn Capital 6.2%

Registered Office

Level 9 – 356 Collins Street
Melbourne Victoria 3000

Directors & Management

Mr Tom Eadie – Executive Chairman
Mr Barry Laws- Non Executive Director
Mr Peter Topham – Non Executive Director
Mr Terry Lees – Exploration Manager
Mr David Ogg – Company Secretary
Mr Joel Ray – GM Einasleigh Operations

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