



ASX Release
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CSE

Copper Strike to spin off Syrah Resources

Copper Strike Limited (CSE) has formed a new company, Syrah Resources Limited, which plans to conduct an initial public offering and seek listing on the Australian Stock Exchange in August. The prospectus will be available through the Copper Strike website www.copperstrike.com.au in mid to late July and will be distributed to Copper Strike shareholders at this time.

Syrah's assets include a portfolio of high potential properties in two of the more active exploration areas in Australia – the Mt Isa Block of NW Queensland and the Flinders Ranges of South Australia. Copper Strike has put these properties into Syrah to allow them to receive the attention that they deserve while allowing Copper Strike to focus on its advanced projects in the Einasleigh area: Einasleigh Copper Mine, Kaiser Bill and the Chloe trend.

Syrah proposes to raise \$4.2 million by the issue of 21,000,000 shares at 20c per share to fund exploration and assessment programmes on these properties. CSE shareholders will have priority in the allotment of shares, with every CSE shareholder (record date expected to be 20 July 2007) to be offered a minimum of 10,000 shares at \$0.20 each. CSE shareholders with more than 50,000 shares will be offered additional shares on a pro-rata basis. CSE will be issued with 9 million Syrah shares as payment for the properties, allowing it to retain a 30% interest in Syrah.

Syrah has been created with two key strengths:

- professional team, and
- diverse, multi-commodity targets.

Syrah will be led by Alistair Campbell, Managing Director, a mining engineer with an impressive depth of project assessment and project development expertise. On the exploration front he will be supported by Exploration Director, Terry Lees, who has enjoyed exploration and project development success in a wide spectrum of geological environments. Tom Eadie will be Chairman.

The properties have been selected to cover many different target types – all with large, high grade potential.

In the Mt Isa Block of NW Queensland, Syrah has three project areas. Levuka is along trend and immediately south of the prolific Eloise Copper Mine. cursory exploration in the past has located low grade copper over widths that require geophysical and drilling follow up. The uranium potential of the younger geological sequences has recently been highlighted by exploration success to the north of Syrah's tenement area.

The Archie and Mackenzie tenements are located northeast of the huge Century Mine, also in the Mt Isa Block. These properties contain folded rock units that are similar to the Century situation. Exploration has been superficial in the past because of younger sequences that cover the target geology. Syrah will utilise exploration strategies that are designed to see through this cover.

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@copperstrike.com.au
www.copperstrike.com.au

Syrah Properties



To the southwest of the Century Mine, at Norfolk, three tenements cover a very large circular feature, analogous to a circular feature adjacent to the Century Mine. Other geological similarities such as a major northwest trending structure, enhance Norfolk as a target area for a large zinc / lead deposit. Once again, the thickness of the cover rocks has inhibited past exploration.

In South Australia, copper is the main target on the Mt Lyndhurst tenements. There are numerous copper-rich prospect areas on the tenement, giving the potential both for short term production and the discovery of a large, hidden deposit. Uranium is known to be associated with the higher grade copper deposits and this will be investigated along with the copper potential. Recent Syrah grab sampling of dump material at Nichols Nob, one of the copper prospects, returned several values in the range 100 to 300 ppm uranium. These four samples also averaged 2.8% copper and 1 g/t gold.

Munna is located in southern Queensland. The area has numerous mineral occurrences indicative of intrusive-related mineralisation and is a historical producer of copper, gold and silver. Little modern, systematic exploration has been undertaken.

Royalco Resources Limited has supplied interest-free loan funding of \$200,000 to Syrah which will be converted to Syrah shares at the listing price. For this financing, Royalco will retain a 1.5% royalty on production from any of the current portfolio of properties.

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 has 20 years experience in the minerals industry and the activities being reported on. Mr. Eadie consents to the inclusion of this information in the form and context in which it appears in this report.

Corporate Details

Issued Capital

69.093m shares
4.500m unlisted options
Share Price \$0.75 (19 June 07)

Key Shareholders

Teck Cominco Australia 12.7%
Acorn Capital 8.6%

Registered Office

Level 9 – 356 Collins Street
Melbourne Victoria 3000

Directors & Management

Mr Tom Eadie – Executive Chairman
Mr Dick Potts – Non Executive Director
Mr Peter Topham – Non Executive Director
Mr Terry Lees – Exploration Manager
Mr David Ogg – Company Secretary