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Feasibility results point to increased scope at Einasleigh

The Directors of Copper Strike are pleased to announce that a favourable outcome has been obtained from the Feasibility Study into the Einasleigh Copper Project in North Queensland. The project, which would see 1.5 million tonnes of ore per annum mined from the Einasleigh and Kaiser Bill deposits and processed at a new plant at Kaiser Bill, provides an approximate 20% IRR at current copper prices and economic conditions.

Recent exploration success in the Einasleigh area, in particular at the Chloe East and Chloe West prospects where thick, high grade zinc-lead-silver mineralisation has been found, has highlighted the potential to change the scope of, and add substantial value to the project. As a result of these discoveries, the Directors consider the recent Feasibility Study on the Einasleigh and Kaiser Bill copper deposits as an interim report. An enhanced study will now be undertaken incorporating Chloe, and utilise the synergy that can be derived from the joint development of all the deposits in the Einasleigh region. The joint development will make the project more robust through diversification and economies of scale.

Copper Strike's focus remains on moving to production quickly. An updated feasibility study will be issued later in 2007. Progressing long lead time items such as environmental approvals, local stakeholder negotiations and the granting of Mining Leases will continue. In addition the project will be advanced towards bankable feasibility on several fronts.

- A two month, 4000-5000 metre drill programme is scheduled to start next week at Chloe, weather permitting. The objective of this programme is to outline Indicated Resources at Chloe East and Inferred Resources at Chloe West. Several other targets in the Chloe area will also be tested.
- A drill programme to increase the high grade resource at Einasleigh will commence in mid-February. Recent structural studies have shown that the high grade copper mineralisation has not been closed off at depth by drilling and that there is potential to add significant tonnage.
- A short programme is planned for Kaiser Bill to ensure that all ore to be exploited in the early years is in the "indicated" category.
- Certain capital cost estimates need to be clarified. There is considerable scope to pare down costs. In particular, the cost of the plant, access to power and water, and the possibility of utilising second-hand equipment and the old Einasleigh mine underground access, require additional assessment. However upward pressure could come from the probable increased size of the operation as a result of Chloe's inclusion.

Directors believe that the best way to add value for shareholders is to accept and use the findings of the positive interim feasibility study and continue aggressively towards a bankable feasibility study, incorporating Chloe. The study will be completed later in 2007. A summary of the results of the interim feasibility study are included in the next sections.

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Managing Director

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Summary of Key Parameters and Results

The Einasleigh Copper Project Feasibility Study investigated the establishment of mining both the underground Einasleigh deposit and the opencut Kaiser Bill deposit with a 1.5 million tonne per annum processing plant built at Kaiser Bill. The study did not include any production from the emerging Chloe zinc-lead-silver prospect.

The report was managed by Trevor Hannigan of Hannigan & Associates with major technical input (including in some cases full appendices) from: AARC, Golder Associates, Gunn Metallurgy, Gordon Grimwade & Associates, Ausnorth Consultants, HRL Testing Pty Ltd, RACAD Cartography, Survey Graphics Mapping, Metcon Laboratories, Ultrasort Pty Ltd, ALS Chemex, Dick Potts & Associates, Roche Mining, Rockwater Pty Ltd, Ian MacLeod-Carey & Associates and Metallurgical Refining & Development.

Key Parameters of the Study are:

Einasleigh	**Ore Mined**	0.48Mt @ 3.7% Cu, 0.21g/t Au & 16g/t Ag
	Resource Inventory	0.83Mt @ 3.0% Cu, 0.13g/t Au & 14g/t Ag
Kaiser Bill	**Ore Mined**	8.16Mt @ 0.82% Cu, 0.11g/t Au & 5g/t Ag
	Resource Inventory	13.4Mt @ 0.83% Cu, 0.13g/t Au & 6g/t Ag
Production Rate		1.0Mta in 2009 building to 1.5Mta for 5 years from 2010
Copper Produced		15,000 tpa of copper in precious metal-rich concentrate
Transport		Concentrate trucked to Townsville for export
Capital Cost	**+/- 35%**	$88M (Life of mine)
Exchange Rate	**AUD/$US**	0.75
Gold and Silver Prices		Gold $US600/oz Silver $US8/oz

The results of the financial modelling are shown in Table 1.

Comments	Copper Price $US / lb	Total Cash Generated (AUD)	IRR % (average over 7 years)	C1 Operating Cost / lb ($US)
Base Case	**2.50**	**85.5**	**19.5**	**1.48**
Price minus 10%	**2.25**	**47.3**	**11.1**	**1.48**
Price minus 20%	**2.00**	**8.8**	**2.1**	**1.48**
Lower Capex by 10%	**2.50**	**92.0**	**22.5**	**1.48**
Lower Capex by 20%	**2.50**	**98.5**	**26.0**	**1.48**

Table 1: Summary of financial modeling in the interim study

The modelling shows that the project, with just Einasleigh and Kaiser Bill, is sensitive to movement in the copper price, unless capital costs can be reduced, which is being investigated. Another possible solution is to make better use of the capital equipment by increasing the scale of production or the longevity of the operation. This is the focus of the extension of the Feasibility Study.

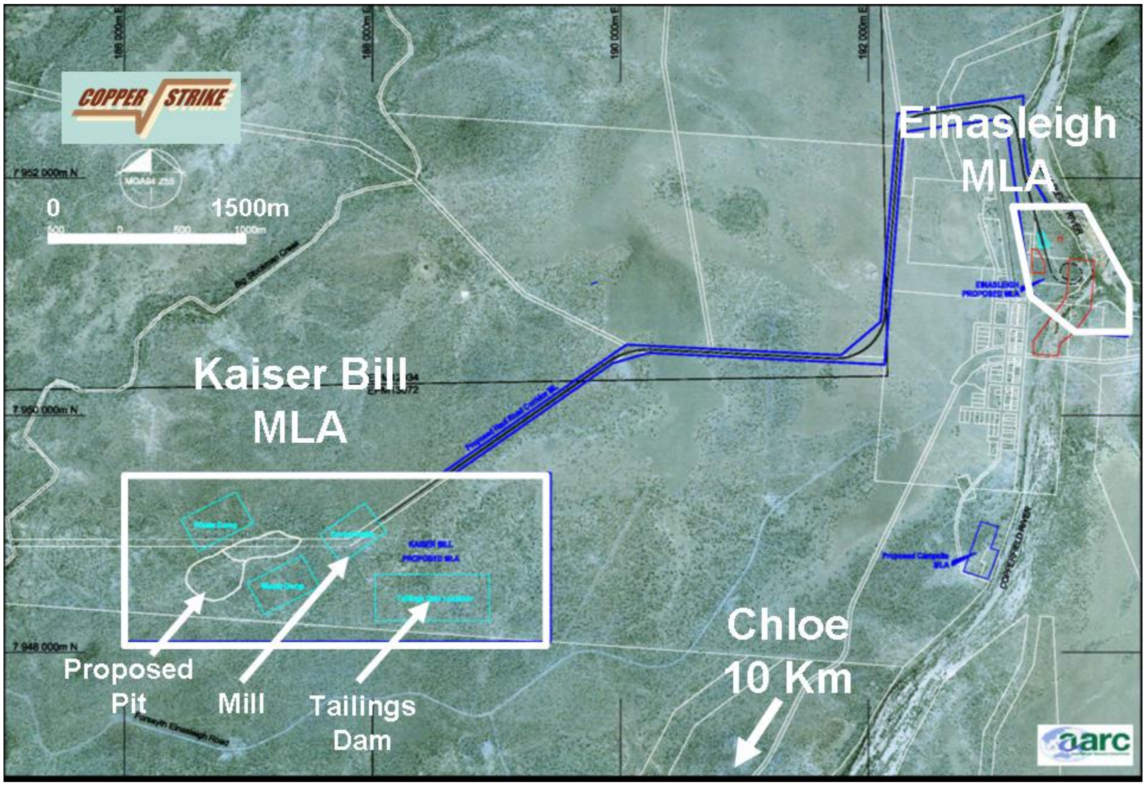

Figure 1: Location map of Mining Lease Applications in project area

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
65.252m shares
5.075m unlisted options
Share Price $0.37 (5 Feb 07)

Key Shareholders
Teck Cominco Australia 13.3%
Acorn Securities 9.1%

Registered Office
Level 9 – 356 Collins Street
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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

APPENDIX 1: Executive Summary of the Feasibility Report

The Einasleigh Feasibility Study has concluded that a combined development of the Einasleigh and Kaiser Bill deposits at a production rate of 1,500,000 tonnes per annum with facilities for ore concentration, storage of tailings and waste rock located at Kaiser Bill is economically attractive at current copper prices and economic conditions.

The Indicated and Inferred Resource Estimate for Einasleigh is 825,000 tonnes @ 3.0% Cu, 0.17g/t Au, 14g/t Ag and for Kaiser Bill 13,400,000 @ 0.83% Cu, 0.13g/t Au, 6g/t Ag. Mining Lease Applications, MLA 302011 (Kaiser Bill), MLA 30212 (Einasleigh) and MLA 30213 (Mine Camp) were submitted on the 4 January 2007.

Project production scheduling has assumed 484,000 tonnes @ 3.66% Cu, 0.21g/t Au, 16.2g/t Ag will be extracted from the Einasleigh deposit and 8,160,000 @ 0.82% Cu, 0.11g/t Au, 5.3g/t Ag extracted from the Kaiser Bill deposit over a five year period commencing in 2009.

The project capital cost is estimated at AUD88 million (+/- 35%) and the average operating cost at AUD$30/tonne of ore. The estimated "cash costs to market" or C1 Cost is US$1.48/lb Cu.

Project spreadsheet modelling that assumes similar economic conditions and metal prices as January 2007 i.e. AUD7,350 per tonne (US$5,510 per tonne) copper metal and a US$/AUD exchange rate of 0.75, is indicating a Net Present Value (NPV) of AUD31 million (10% Discount Rate), an Internal Rate of Return (IRR) of 19.5% and capital payback within 4 years from production start-up (2009 to 20013).

Interim metallurgical test work is indicating that approximate 10% of the process plant tailings may be economically extractable magnetite. Sensitivity modelling, based on the assumption of an AUD50 per tonne net return, lowers the C1 Cost estimate to US$1.29/lb Cu and at US$2.50/lb Cu the Base Case model calculates an IRR of 25.9%.

Modelling interpretation indicates that the next steps should be:

- complete the status upgrade of resources contained within the Kaiser Bill Optimise Pit Area,
- establish the economic potential of the magnetite contained within the tailings by developing and implementing a test work program,
- drill out, as soon as possible, further high grade copper resources at Einasleigh and the new zinc-lead-silver resources at Chloe and include these new resources in any further investigations,
- investigate possible cost savings from the use of second hand equipment and mining options that would utilise the existing Einasleigh shafts for access, ore hoisting and ventilation,
- submit the Initial Advice Statement (IAS) and subject to EPA final determination, complete and submit the Environmental Management Plan (EMPlan),
- generate a +/- 35% cost estimate for grid power, water supply, transportation of copper concentrate (and the potential magnetite), and
- finalise the development schedule for a 2009 commissioning of the project.

A timely "Change of Scope" process to allow for future mining and processing as envisaged by and detailed in the Ewamian People-Copper Strike, Indigenous Land Usage Agreement (ILUA) covering EPM exploration and the establishment of formal agreements for the purchase/compensation of/for freehold/leasehold land at Einasleigh and Kaiser Bill are fundamental to the proposed 2009 commencement target.

Trevor Hannigan – Hannigan & Associates

APPENDIX 2: Resource Statement for Kaiser Bill

Golder Associates Pty Ltd (Golder Associates) has estimated resources for the Kaiser Bill deposit based on the results from 74 reverse circulation (RC) and 14 core drill holes completed by Copper Strike Limited and Teck Cominco Australia.

The Mineral Resources estimated by Golder Associates at a 0.4% Cu cut-off grade for a selective open pit mining scenario are:

Indicated Mineral Resource: 5.4 Mt @ 0.73% Cu, 0.09 g/t Au, 6 g/t Ag.
Inferred Mineral Resource: 8.0 Mt @ 0.89% Cu, 0.15 g/t Au, 7 g/t Ag.

Key features of the resource estimate are:

- Core recovery was excellent. Core was sampled by sawing the core in half and sampling over 1 m or 2 m intervals. Sixty six (66) RC holes were sampled by riffle splitting and eight were sampled by spearing the sample bags.
- Samples were analysed by multi-acid digestion and inductively coupled plasma atomic emission spectrometry. Assay quality control included standard reference samples, blanks and duplicate samples for the majority of the sample batches; the results were satisfactory. No independent quality control samples were used for the first 18 drill holes.
- A wireframed model of the mineralised zone was constructed using a nominal 0.3% Cu cut-off grade.
- A computer block model was constructed by filling the wireframe with 12.5 m by 12.5 m by 5 m blocks and 2.5 m by 2.5 m by 2.5 m sub-blocks.
- Grades of Cu, Au, and Ag were estimated into the parent blocks by multiple indicator kriging using a 120 m by 120 m by 5 m search radius. A minimum of 10 and a maximum of 40 composites were used to estimate each block. A few extreme grades were cut to 5% Cu, 0.9 g/t Au and 100 g/t Ag. The indicator kriging model was adjusted to reflect a mining selectivity of 5 m by 5 m by 2.5 m prior to resource calculations. Fe and S grades, as well as check estimates for Cu and Au, were estimated by ordinary kriging.
- Drill hole spacing through the mineralised zones was 50 m on section, with sections spaced at 80 – 110 m in the Inferred Mineral Resource area and no more than 50 m in the Indicated Mineral Resource area. The geological interpretation is supported by the presence of gossanous outcrop over 1 km strike length.
- Measurements of dry bulk density were determined on 896 samples of drill core using a water displacement method. A strong relationship between dry bulk density and Fe grade was established and this relationship was used to estimate dry bulk density for each block in the Kaiser Bill model using the Fe block grade estimates.

The new global estimate (13.4 Mt @ 0.83% Cu, 0.13 g/t Au, 6 g/t Ag) has a 3% higher tonnage and Cu grade than the May 2006 Ordinary Kriging (OK) estimate, which was based on a 0.3% Cu cut-off grade. However, unlike the previous estimate, this resource estimate accounts for dilution. At a 0.4% Cu cut-off grade, around 0.7 Mt is material in the oxide zone.

These mineral resource estimates are based upon and accurately reflect data compiled by Mr Ian Lipton, Principal Geologist, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. Mr Lipton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lipton consents to the inclusion of this information in the form and context in which it appears in this report.

Ian Lipton
Principal Geologist - Golder Associates