

COPPER STRIKE LIMITED
ABN 16 108 398 983

Half-year Report
for the half-year ended 31 December 2006

COPPER STRIKE LIMITED
ABN 16 108 398 983

CORPORATE DIRECTORY

Board of Directors

Ernest T Eadie
Peter J Topham
Richard Potts

Company Secretary and Chief Financial Officer

David L Ogg

Registered Office

Level 9/356 Collins Street
Melbourne Victoria 3000
Telephone: 613 9640 0955
Facsimile: 613 9642 0698
Website: www.copperstrike.com.au

Share Registry

Link Market Services Ltd
Level 4/333 Collins Street
Melbourne Victoria 3000

Auditor

Leydin Freyer Corporate Pty Ltd
Chartered Accountants
Suite 304, 22 St Kilda Road
St Kilda Victoria 3182

Solicitor

Menzies & Partners
Level 9/356 Collins Street
Melbourne Victoria 3000

Bankers

ANZ Bank
388 Collins Street
Melbourne Victoria 3000

Stock Exchange Listing

Copper Strike Limited is listed on the Australia Stock Exchange. Home Stock Exchange is Melbourne.
ASX Code: CSE

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DIRECTORS' REPORT

The Directors of Copper Strike Limited submit herewith the financial report for the half-year ended 31 December 2006. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Company's Directors in office during or since the end of the half-year are:

Name

Mr Ernest T Eadie	Managing Director
Mr Peter Topham	Non Executive Director
Mr Neil McLean	Non Executive Director (Resigned 6 February, 2007)
Mr Richard Potts	Non Executive Director (Appointed 6 February, 2007)

REVIEW OF OPERATIONS

The half has been very productive for Copper Strike with major advances in projects in Queensland, Tasmania and NSW.

- The Einasleigh Feasibility Study, which is examining the joint development of the Einasleigh and Kaiser Bill copper deposits as a 1 - 2 million tonnes per year mining and processing operation, has been a major focus during the half and is due for completion early in 2007.
- Strong zinc / lead / silver results continue at Chloe which is located 20 kilometres SW of Einasleigh. During the half 18 holes were drilled at Chloe and the best was on the Chloe East prospect which returned 26 metres @ 6.1% zinc, 2.9% lead & 60g/t silver from 173m in CH015. Drilling of a further 23 holes will begin at Chloe in February 2007.
- Detailed helicopter electromagnetic and magnetic surveys flown in October identified five high priority drill targets in the Einasleigh / Kaiser Bill / Chloe area. These are scheduled to be drilled in April and May 2007.
- At Lake Margaret in the Mount Read Volcanics of western Tasmania, drillhole LM01 intersected altered acid volcanics over 218 metres from a depth of 12 metres. Assays will be available in February. This drillhole marks the discovery of a new alteration system of the type surrounding several of the major Tasmanian deposits.
- Paradigm Gold Limited (PDM) has acquired the White Rock tungsten project in NSW. Terms of the agreement include the issuing of 5 million 7.5c options to Copper Strike, payment of \$100,000 to Copper Strike on PDM's next capital raising, and further payments of up to \$2 million depending on the success of the project.
- Copper Strike raised \$2.2 million through an institutional placement and closed the half with over \$3 million in cash.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the review of the half-year is included on page 5.

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



E T Eadie
Executive Chairman

MELBOURNE,

23 February, 2007

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

To the Directors of Copper Strike Limited:

I declare that to the best of my knowledge and belief, in relation to the Independent Half-year Auditor's Review for the half-year ending 31 December 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

LEYDIN FREYER CORPORATE PTY LTD
Chartered Accountants



M J LEYDIN
Director

23 February 2007

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF COPPER STRIKE LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Copper Strike Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the company at the end of the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matters that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Copper Strike Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express audit opinion.

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Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Copper Strike Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Yours faithfully

LEYDIN FREYER CORPORATE PTY LTD
Chartered Accountants



M J LEYDIN
Director

23 February 2007

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DIRECTORS DECLARATION

The Directors declare that:

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



E T Eadie
Executive Chairman

MELBOURNE,

23 February, 2007

COPPER STRIKE LIMITED
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CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	CONSOLIDATED ENTITY	
		Half-year ended 31 December 2006 \$	Half-year ended 31 December 2005 \$
Continuing Operations			
Revenue		60,369	80,421
Employee benefit expenses		(393,771)	(287,779)
Administration expenses		(197,638)	(150,369)
Exploration expenses written off		(50,309)	(286,054)
Profit/(loss) before tax for the period		(581,349)	(643,781)
Income tax expense		-	-
Profit/(loss) for the period from continuing operations		(581,349)	(643,781)
		Cents per share	Cents per share
Earnings/(Loss) per Share from continuing operations			
Basic Earnings per share		(0.973)	(1.245)
Diluted Earnings per share		(0.897)	(1.167)

This statement is to be read in conjunction with the notes to the financial statements.

COPPER STRIKE LIMITED
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CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	CONSOLIDATED ENTITY	
		31 December 2006 \$	30 June 2006 \$
Current Assets			
Cash and cash equivalents		3,071,191	2,765,564
Trade and other receivables		114,471	101,295
Total Current Assets		<u>3,185,662</u>	<u>2,866,859</u>
Non-Current Assets			
Property, plant and equipment		12,138	10,573
Financial assets		2,500	-
Other non-current assets		6,290,765	4,902,011
Total Non-Current Assets		<u>6,305,403</u>	<u>4,912,584</u>
Total Assets		<u>9,491,065</u>	<u>7,779,443</u>
Current Liabilities			
Trade and other payables		87,941	103,831
Provisions		42,990	41,504
Total Current Liabilities		<u>130,931</u>	<u>145,335</u>
Non-Current Liabilities			
Provisions		88,408	94,054
Total Non-Current Liabilities		<u>88,408</u>	<u>94,054</u>
Total Liabilities		<u>219,339</u>	<u>239,389</u>
Net Assets		<u>9,271,726</u>	<u>7,540,054</u>
Equity			
Issued Capital		11,370,544	9,219,331
Reserves		343,851	182,043
Accumulated losses		(2,442,669)	(1,861,320)
Total Equity		<u>9,271,726</u>	<u>7,540,054</u>

This statement is to be read in conjunction with the notes to the financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

CONSOLIDATED				
	Issued Capital	Retained Earnings	Option Reserve	Total
Equity as at 1 July 2005	7,687,657	(908,753)	35,100	6,814,004
Profit/(loss) for the period (a)	-	(643,781)	-	(643,781)
Cost of share based payments	-	-	146,943	146,943
Equity as at 31 December 2005	7,687,657	(1,552,534)	182,043	6,317,166
Equity as at 1 July 2006	9,219,331	(1,861,320)	182,043	7,540,054
Profit/(loss) for the period (a)	-	(581,349)	-	(581,349)
Issue of Shares	2,194,840	-	-	2,194,840
Costs of Capital Raising	(43,627)	-	-	(43,627)
Cost of share based payments	-	-	161,808	161,808
Equity as at 31 December 2006	11,370,544	(2,442,669)	343,851	9,271,726

(a) Loss for the period equals total recognised income and expense for the period.

This statement is to be read in conjunction with the notes to the financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	CONSOLIDATED ENTITY	
	Half-year ended 31 December 2006 \$	Half-year ended 31 December 2005 \$
Cash Flows From Operating Activities		
Receipts from customers	-	-
Interest received	68,027	118,967
Payments to suppliers and employees	<u>(470,006)</u>	<u>(346,925)</u>
Net cash used in operating activities	<u>(401,979)</u>	<u>(227,958)</u>
Cash Flows From Investing Activities		
Payment for property, plant and equipment	(4,544)	(5,211)
Payment for exploration expenditure	<u>(1,439,063)</u>	<u>(1,573,954)</u>
Net cash (used in)/provided by investing activities	<u>(1,443,607)</u>	<u>(1,579,165)</u>
Cash Flows From Financing Activities		
Proceeds from issue of shares	2,194,840	-
Payment for share issue costs	<u>(43,627)</u>	<u>-</u>
Net cash flows from financing activities	<u>2,151,213</u>	<u>-</u>
Net Increase (Decrease) in cash and cash equivalents	305,627	(1,807,123)
Cash and cash equivalents at beginning of the financial period	<u>2,765,564</u>	<u>4,418,218</u>
Cash and cash equivalents at the end of the financial period	<u>3,071,191</u>	<u>2,611,095</u>

This statement is to be read in conjunction with the notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2006 annual financial report for the financial year ended 30 June 2006, other than as stated below.

Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the annual reporting periods on or after 1 July 2006.

2. SEGMENT INFORMATION

The company operated predominately as an explorer for base and precious metals, with the emphasis on copper and copper-gold mineralization within Australia.

3. ISSUE OF EQUITY SECURITIES

During the reporting period Copper Strike Limited issued 5,932,000 ordinary shares at 37c per share through a private placement, raising \$2,194,840 before costs.

4. BUSINESS COMBINATIONS

The ownership in subsidiaries at the end of the reporting period are listed below:

Name of Entity	Country of Incorporation	Ownership Interest	
		31 December 2006 %	31 December 2005 %
Parent Entity			
Copper Strike Limited	Australia		
Subsidiaries			
Sherwood Ventures Pty Ltd	Australia	100%	100%
Einasleigh Mining Pty Ltd	Australia	100%	-

Einasleigh Mining Pty Ltd was incorporated on 1 July 2006 for the purpose of conducting the mining lease and operations for the Einasleigh Project. During the half-year the subsidiary had no activities

5. CONTINGENT ASSETS

On 15 December 2006 the company sold to Paradigm Gold Limited, two exploration licences (EL 6274 and EL 6590).

The consideration for the sale of the licences is as follows:

- Paradigm Gold Limited will issue 5 million three-year unlisted options at a strike price of 7.5 cents when the ownership of the tenements is transferred;
- Reimburse exploration costs up to a maximum of \$100,000, when at least \$350,000 additional funds are next raised by Paradigm Gold Limited;
- \$500,000 in cash when a JORC Indicated Resource of at least 5,000 tonnes of WO₃ at a grade of not less than 0.5% WO₃, or a JORC compliant Indicated Resource of another metal of at least equivalent value, is found on the tenements; and
- \$1,500,000 in cash when a positive feasibility study or decision to mine is reached on any metal deposit within the tenements.

The ownership of the tenements has not been transferred as at the date of this report.

6. COMMITMENTS

There has been no material changes in exploration or operational commitments.

7. EVENTS AFTER THE BALANCE SHEET DATE

Mr Neil McLean resigned as a Director on 6 February 2006 and Mr Richard Potts was appointed as a Director on that date.