

COPPER STRIKE LIMITED

CSE

Friday, 13 July 2007

Drilling results advance Einasleigh area base metal prospects

Recommendation Speculative Buy

Overview

Following further drilling at its projects in the Einasleigh area in North Queensland, CSE has commenced initial inferred resource estimates for its Chloe and Jackson deposits that are located about 20 km southwest of Einasleigh. The resource estimates are expected to be completed in early August with at least the Chloe deposit forming part of the feasibility study that includes the Einasleigh (0.83M tonnes @ 3.7% copper) and Kaiser Bill (13.4M tonnes at 0.83% copper) deposits and is due for completion before the end of the year. A decision on the development of the Einasleigh Project will follow.

A major drilling program with up to three drill rigs was completed from February to late May on the three main prospects on the Chloe Trend of lead-zinc mineralisation. Drilling to test the eastern depth extent of the Chloe deposit returned multiple intercepts in drill hole CH051 over a down hole depth interval from 277.3 metres to 322.1 metres. These included an intercept of 11.6 metres averaging 4.5% zinc and 1.5% lead and an intercept of 5.3 metres averaging 7.2% zinc and 3.4% lead. This intercept was down plunge from a previous intercept of 40 metres averaging 6.6% zinc, 2.8% lead, 41 g/t silver and 0.3% copper. The results indicate that the mineralisation continues to the east and further drilling is planned to commence later in July.

At the Jackson prospect, located 500 metres to the west of Chloe, an updip test of previously intersected mineralisation returned an intercept of 28 metres averaging 3.9% zinc, 3.9% lead and 71 g/t silver from a downhole depth of 29 metres. This intersection was updip from a previous intersection of 15 metres averaging 6.4% zinc, 5.3% lead and 194 g/t silver. CSE considers that the intersections returned to date at the prospect are starting to outline a coherent deposit with a significant down dip and strike extent. More drilling is necessary to understand the shape of the deposit and assess its tonnage potential, both near surface and at depth. This drilling is expected to commence in August. CSE has commenced an initial inferred resource estimate for Jackson that is due for completion in early August.

Drilling at the Young prospect, located 500 metres to the west of Jackson, drilling intersected moderate grade zinc with associated lead at downhole depths of around 300 metres. Together with a previous drill hole at the prospect the results confirm new blind base metal mineralisation that requires further drilling. The mineralisation consists of higher grade zones occurring within an envelope of alteration and lower grades. At a lower cut off grade the intersections are much broader, such as 17 metres averaging 4.3% combined lead and zinc in drill hole YN001.

At the Bloodwood Knoll prospect, located about 12 kilometres west of Einasleigh, drilling was conducted to follow up a target defined from a helicopter EM survey conducted in 2006. The anomaly is interpreted to be caused by a conductor that lies down plunge to the east of a gossan that outcrops on a small hill. The size of the anomaly suggests that the tonnage potential is large. CSE drilled two holes with both intersecting mineralisation. The better hole intersected 5 metres averaging 6.5% zinc, 2.4% lead, 43 g/t silver and 0.35% copper from a downhole depth of 113 metres. Further drilling is being planned.

Impact

Following a favourable outcome on the feasibility of developing the Einasleigh and Kaiser Bill copper deposits, CSE is now preparing an initial resource estimate for the Chloe deposit for incorporation into an expanded feasibility study. Chloe is expected to add considerable benefit, offering diversification and economy of scale. CSE continues to have drilling success, converting anomalies into prospects and subsequently into resources. The recent drilling success has given the Einasleigh project considerable momentum and added to expectations that the project will proceed to development in the near term.

Snapshot

Last Price	\$0.655
Market Cap (m)	\$45.4
52 Week High	\$0.85
52 Week Low	\$0.18
Sector	Metals & Mining

Investment Fundamentals

Cash reserves	\$2.3 million
Shares on issue	69.3 million
Options on issue	4.25 million unquoted
Directors	Tom Eadie (Exec Chairman) Dick Potts (non-exec) Peter Topham (non-exec)
Major shareholders	Teck Cominco Aust. 12.7%

Source: *Intersuisse Estimates*

Price Chart



Business Description

CSE is focused on the evaluation and timely development of base metal prospects in north Queensland. So focused that the company is about to spin off Syrah Resources Ltd, a company that will only be assigned CSE's prospects in the Flinders Ranges of South Australia but will also assume CSE's prospects within the Mt Isa Block in northwest Queensland. The company continues to have exploration success in an area that is now revealing a considerable endowment of base metal mineralisation.

Analyst: *Paul Gooday*

INTERSUISSE

MORNING NOTES



Important Information

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Authorised for intersuisse by Peter Russell