

David Gatehouse
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11 September 2006

Dear David

Reference: EL35/2004 Proposed Work Program

Copper Strike Limited is exploring for a high grade gold-copper deposit within EL35/2004. A drill target has been identified through an IP survey completed in April 2006. Copper Strike now proposes to drill test this target. An outline of the proposed work program follows.

Staff

Terry Lees, Exploration Manager of Copper Strike Limited, is in charge of the drilling program. Mike Raetz of PGN Geoscience Pty Ltd (Mobile 04002 215368) will manage the drill program (pgn@skilledgeoscience.com). Both Lees and Raetz have individually over 20 years experience in Mineral Exploration. A geologist will be on site (or in Queenstown) for the duration of the drilling program. Raetz is presently intending to remain on site for the duration.

Notification

Police, SES and Hydro Tasmania will be notified of our activities when the program is due to commence and is completed. Access through ground vested in Hydro Tasmania is required and their permission sought.

Proposed Program

Copper Strike plans to test the target with one diamond drill hole. Drill hole LM01 is planned in the Lake Margaret area to drill test an IP anomaly. Details are given below. The drilling program will need to be partly helicopter supported; i.e. the rig, fuel and gear to be flown in/out. The Lake Margaret area is a sensitive environment so precautions are planned for the proposed work in the area.

Drill Collar Location

Proposed Hole	East AMG (AGD84z55)	North AMG (AGD84z55)	Dip	Azimuth AMG	Depth
LM01	380863	5348950	-45	90	250

Note the tagged co-ordinates on the cut line are 9050N, and 5m west of the 900E peg.

Drill Contractor

ALMAC Drilling Pty Ltd of Zeehan have tendered for the drill contract.
Ph 6471 6355, mob 0438 716131, AlmacDrilling@bigpond.com

Timing

Drill site clearing and preparation will commence as soon as permission to proceed is given by MRT. Actual drilling is proposed to commence around in 15 November 2006.

Communication

Mobile phone will be the main mode of communication from the drill site, as it is normally within range.

Location Plans and Photographs

The proposed drill site is located approximately 1.5 km east of the Lake Margaret township. From there, there is a 4WD track to the pumphouse shed, then about a 1km walk either along the pipeline access tram and south along cut line 379,750E, or a similar distance by cleared track from the surge tank at the pumphouse shed which merges in to cut line 9050N. Due to the difficult access, drilling will need to be helicopter supported and the drilling crew will walk in/out on a daily basis.

Figures 1 and 2 show the location of the planned hole, with photographs of the site in Figures 3, 4 and 5.

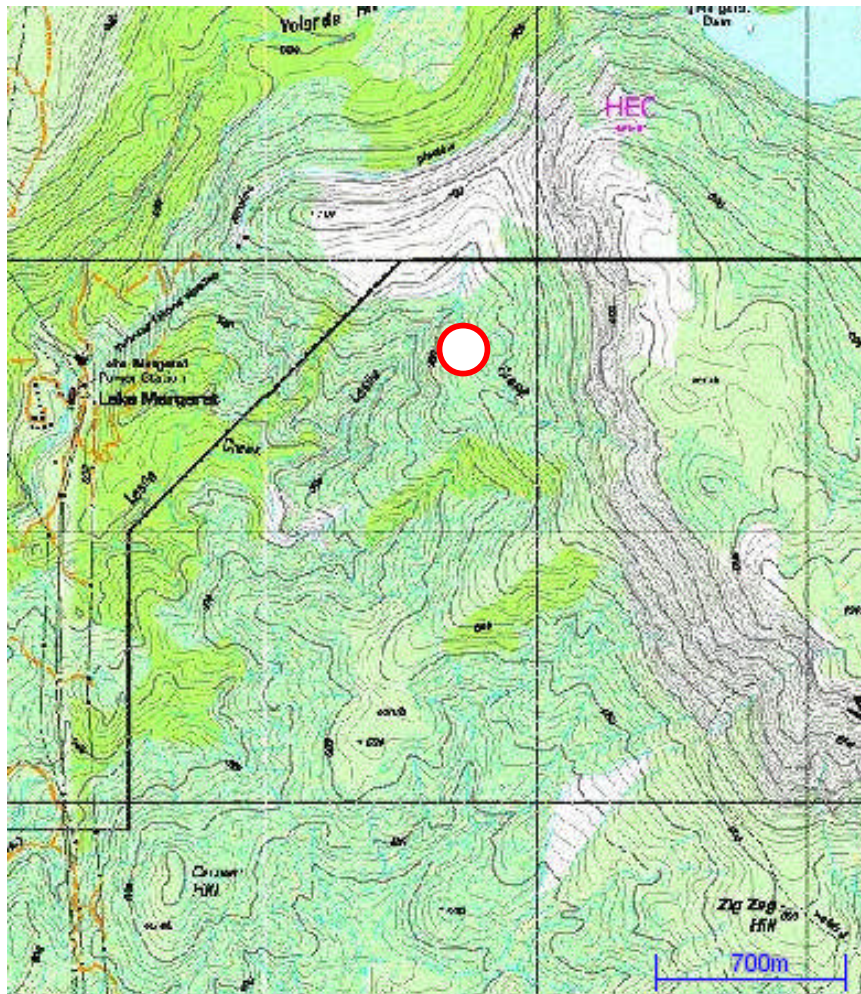


Figure 1. Location of the planned hole showing location (image from Tas MRT).

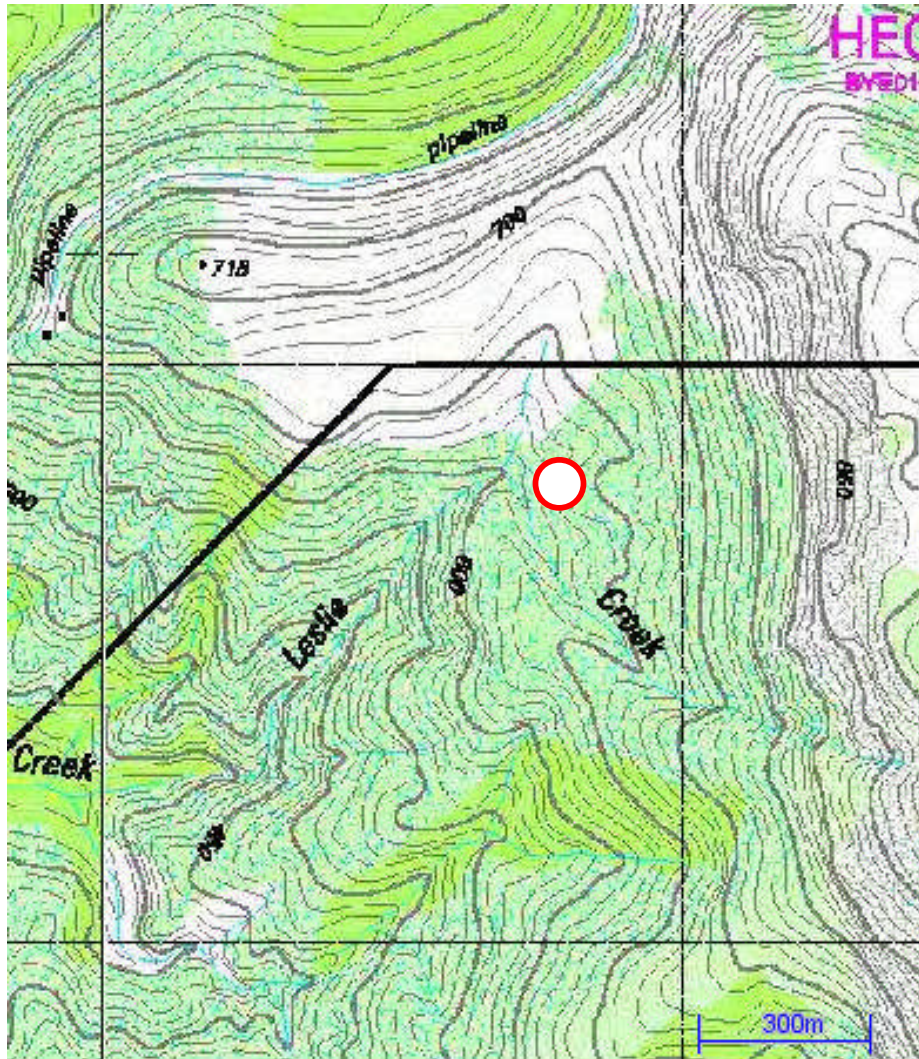


Figure 2. More accurate location of the planned hole showing location (image from Tas MRT).



Figure3. General view looking to the east to the planned drill hole site with location circled. Note old cut line (tags on pegs say 9050N).



Figure 4. Proposed drill site. Picture taken looking west.



Figure 5. Proposed drill site. Picture taken looking east.

Environment

The vegetation is thick, light scrubby “regrowth” of a post-fire succession including *Banksia marginata*, *Leptospermum sp.*, occasional *Eucalyptus nitida*(?), with an understory including white waratah and *Gahnia sp* on clay-rich soils of glacial morine. Several generations of fire appear to have caused local extinction of King Billy Pine, present above the drill site as standing dead timber.

The drill rig, all equipment and boots will be cleaned prior to transportation to the site. On removal at the end of the drilling, the equipment will be washed down again prior to moving to the next site.

Drill Site Preparation

Ian Rogers of Rogers Exploration Services (03 64 381350) is contracted to prepare the drill site in accordance with the guidelines defined in the ‘Mineral Exploration Code of Practice’. The proposed drill rig has a foot print size of 6m x 2m. Total working size of site required is 10 m by 10 m, including allowance for a helicopter lay-down/pickup area.

Max Harvey Managing Director of Almac Drilling is contracted to drill the hole and he has supplied the following notes based on his local experience.

1. Due to the location and nature of the area and its rare aquatic life plus access difficulties a great deal of time and effort will be required by all parties involved to minimize or eliminate environmental impact problems. Listed below is some of the measure required.

Water Quality Control

1. No drilling additives to be used unless absolutely necessary.
2. If water course require modification for storage sand bags will be used to eliminate disturbing soil and creating erosion
3. Pumps and Fuel to be banded and ensured that no leakages occur
4. All return from the drill hole will be channeled into sludge traps which will be cleaned out on an hourly basis and bagged up to be flown out at the end of the job.
5. After the water leaves the sludge traps it will be channeled into a large tank to allow interaction with oil booms and similar articles to absorb any hydrocarbons that may be integrated into the water return system.
6. This Tank system will then be utilized as a fluid control system as well as a final settling pond for sediment which will be checked, cleaned and bagged on a daily basis
7. The return water shall then be either pumped or gravity fed to an area that will allow the water to filter through the vegetation before entering any water course.

Drill site preparation

1. The client will prepare a site on an area to allow a good approach by Helicopter.
2. Fuel to be store in good quality Drums that will require inspection before and after delivery to site.
3. Before start up large quantities of Hydro Carbon Matting will be placed under and around the drill rig.
4. Before start up a trench system culminating in a bund will be set up to prevent any Hydro Carbon Spills that may occur from escaping.

The above measures are some of the measure required but not limited to the above measures.

Also the minerals code of practice hand book shall be used as a reference.

Safety and Environmental impact are of first priority and no drilling will be started until all appropriate measures are in place and been inspected and cleared by Copper Strike

Helicopter Support

A Squirrel helicopter is to be used to deliver the drill rig and equipment by sling load to the drill site. The equipment and supplies will be loaded at the Queenstown. HydroTasmania have a locked boom gate which controls access to Lake Margaret making the site relatively secure.

Inductions

A safety and environment induction of all personnel involved in the drilling program will be conducted prior to work commencing. Safety issues in particular need to cover working with helicopters. Only trained personnel will be involved with loading and unloading the helicopters.

On the environmental side, particular emphasis will be placed on staying clear of any possible Phytophthora infected zones and staying within prepared work areas.

Yours sincerely
Mike Raetz
For Terry Lees of Copper Strike

Contact for Mike Raetz is mobile 0402 215 368, Melb Fax 03 93991143.