2015
ANNUAL REPORT

STRIKE RESOURCES

ABN 94 088 488 724

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Corporate Governance Statement
can be found at the following
URL on the Company's website:
www.strikeresources.com.au/corporate-governance

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CORPORATE DIRECTORY

BOARD

Malcolm Richmond	Chairman
William Johnson	Managing Director
Farooq Khan	Director
Matthew Hammond	Director
Victor Ho	Director
Samantha Tough	*(retiring at 2015 AGM)* Director

COMPANY SECRETARY
Victor Ho

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STOCK EXCHANGE
Australian Securities Exchange
Perth, Western Australia

ASX CODE
SRK

SHARE REGISTRY
Advanced Share Registry Services
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Level 6, 225 Clarence Street
Sydney, New South Wales 2000

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AUDITOR
BDO Audit (WA) Pty Ltd
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COMPANY UPDATE

Update on Company Strategy

Strike continues to examine a range of new strategies for the Company in light of the poor outlook for the iron ore sector and the resources sector in general.

In this regard, Strike has been investigating a number of technology related ventures which could form the foundation for a new strategy for the Company.

Any such change will necessarily be subject to Strike shareholder approval and compliance with the ASX Listing Rules and Corporations Act.

In relation to the Company's Apurimac and Cusco Iron Ore Projects in Peru, Strike has consolidated its holding of mineral concessions to the core concessions where JORC Resources have been delineated as well as a number of neighbouring concessions which have strategic value associated with the projects – this has reduced Strike's holding costs in Peru and provides Strike with the flexibility to pursue opportunities to realise value from these iron ore assets in the future if and when favourable market conditions return.

Financial Position

As at 30 September 2015, Strike had net assets of ~$7.1 million (comprising ~$8.1 million gross cash less provisions/accruals/trade creditors of ~$1 million) (30 June 2015: ~$7.6 million net assets comprising ~$8.4 million cash less provisions/accruals/trade creditors of ~$0.8 million).

Bentley Capital's Takeover Bid for Strike

On 2 September 2015, Bentley completed its off-market 5.5 cent per share cash takeover bid[1] for Strike, with acceptances received totalling 52,553,493 Strike shares (representing a 36.16% relevant interest in Strike).

Board and Corporate Changes

There has been a number of Board and corporate changes recently[1]:

- Farooq Khan was appointed a Director with effect on 1 October 2015 - Farooq Khan was an Alternate Director to Victor Ho (20 January 2014 to 1 October 2015) and has been previously a Director of Strike (between 3 September 1999 and 3 February 2011), including as the founding Executive Chairman and Managing Director after the Company's IPO in March 2000.
- Victor Ho was appointed Company Secretary with effect on 30 September, replacing David Palumbo (a representative of Mining Corporate) - Victor Ho is currently a Director of Strike (since 20 January 2014) and has previously been a Company Secretary of Strike (between 9 March 2000 and 30 April 2010).
- Mining Corporate's engagement for the provision of outsourced accounting and company secretarial services to the Company will cease at the end of October. The Board thanks David Palumbo and Mining Corporate for their professionalism and support to Strike.
- Strike changed its Perth office on 1 October 2015 as a consequence of the transition out of Mining Corporate.

Samantha Tough has advised the Board that she intends to retire and not seek re-election at the upcoming Annual General Meeting (to be held on 30 November 2015), to focus on her other non-executive director roles.

For further information, please contact:

William Johnson Managing Director Tel: +(61) 8 9214 9727 wjohnson@strikeresources.com.au	Victor Ho Company Secretary Tel: +(61) 8 9214 9727 vho@strikeresources.com.au

1 Refer Strike ASX Announcement dated 2 October 2015: Board and Corporate Changes

DIRECTORS' REPORT

Your Directors present their report on the Consolidated Entity consisting of Strike Resources Limited ("**Company**" or "**Strike**") and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were Directors of Strike during the whole of the financial year and up to the date of this report:

Malcolm Richmond

Matthew Hammond

William Johnson

Samantha Tough

Victor Ho

Farooq Khan

Principal Activities

The principal activities of the Consolidated Entity during the financial year were the pursuit of opportunities for realisation of value from Consolidated Entity's interest in the Apurimac and Cusco Iron Ore Projects located in Peru, South America and consideration of alternative business strategies.

Dividends

No dividends have been paid or declared during the financial year. At the date of this report, no dividend has been recommended for payment in respect of the reporting period.

Review of Operations

During the year, no activity was undertaken on the Company's iron ore projects in Peru as the Company continued to examine a range of new strategies for the Company in light of the poor outlook for the iron ore sector and the resources sector in general.

A number of parties expressed interest in the Company's Peru assets during the year. One conditional purchase offer was received, but the commercial terms offered were considered unacceptable by the Board.

A number of non-core mineral concessions in Peru were allowed to lapse on 30 June 2015, significantly reducing the Company's annual expenditure commitment in Peru. The Company continues to hold those core concessions in Peru which contain its JORC Resources of iron ore in Apurimac and Cusco, as well as some neighbouring concessions which have strategic value associated with the projects.

Whilst some of these core concessions remain the subject of a number of ongoing legal claims in Peru, the Company remains of the view that these claims are spurious and without merit and the Company's lawyers in Peru continue to successfully defend against these claims.

The Company continues to conserve its cash resources, holding a balance of approximately $8.37 million in cash as of 30 June 2015. All corporate secretarial, compliance and accounting services are outsourced. The Company has no full time employees (apart from the Managing Director) and the Company holds no long term office lease commitments.

Significant Changes in the State of Affairs

In July 2014, the Company received an offer to acquire its Peru assets. However, the Company was unable to reach an agreement with the party making the offer. On 8 August 2014, the offer was withdrawn.

On 8 April 2015, the Company announced that it has received resolutions from the Peruvian Tax Administrator ("SUNAT") which have predominately ruled in favour of a claim made by the Company's subsidiary, Apurimac Ferrum S.A.C. As a result, the Company was able to reverse A$1.1 million of its A$1.7 million accrual that it has previously made for withholdings taxes.

On 30 June 2015 the Company received an unsolicited off-market takeover bid by Bentley Capital Limited (ASX: BEL, "Bentley") ("the Offer"), whose Chairman, Farooq Khan, is Strike's Alternative Director to Non-Executive Director Victor Ho (who is also Company Secretary of Bentley). Strike Managing Director, William Johnson is also a Non-Executive Director of Bentley.

DIRECTORS' REPORT

Events since the End of the Financial Year

On 2 July 2015 the Company announced that a Takeover Response Committee of Company's independent directors, being the Chairman, Mr Malcolm Richmond, Ms Samantha Tough and Mr Matthew Hammond had been established to respond to the Offer. The Company also announced that following completion of the Offer (irrespective of the outcome of the Offer), Ms Samantha Tough intended to resign from the Company Board to focus on her other non-executive director roles.

In July 2015, Bentley Capital Limited lodged its Bidder's Statement relating to the Offer with ASIC and dispatched the same to Strike's shareholders.

In August 2015, the Company lodged its Target Statement in response to the Offer.

The Bid closed on 2 September 2015 and a total of 52,553,493 shares representing 36.16% of the Company's issued capital were acquired by Bentley during the bid. Bentley as a consequence is now the Company's largest shareholder.

Likely Developments and Expected Results of Operations

The Company will continue to pursue opportunities to realise value from its Peru assets. The Company maintains legal title to the key mineral concessions in Peru through payment of appropriate annual fees and penalties, with the next scheduled payments due in June 2016. The Company also continues to ensure that its valuable project drilling cores and samples in Peru are stored securely.

The Company retains a strong balance with cash of approximately $8.37 million. With outsourced accounting and company secretarial services and no long term office lease expenses, corporate overhead is relatively low.

The Company is reviewing alternative business strategies in light of the difficult market conditions facing iron ore and the resources sector in general.

Information on Directors

Malcolm Richmond	**Chairman**
Appointed	13 July 2011
Previous positions held	Acting Chairman (3 February 2011 to 13 July 2011) Non-Executive director (25 October 2006 to 3 February 2011)
Qualifications	BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (*New South Wales*)
Experience	Professor Richmond has 30 years' experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Professor Richmond has also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. He is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. Professor Richmond served as Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia until January 2012, and is a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
Special responsibilities	Chairman of the Remuneration and Nomination Committee and Chairman of the Audit Committee
Relevant Interests in shares and options	Nil
Other current directorships in listed entities	Non-Executive Director of: Argonaut Resources Ltd (appointed March 2012)
Former directorships in other listed entities in past 3 years	Advanced Braking Technology Ltd (August 2006 – April 2013) Cuervo Resources Inc (July 2011 – March 2013) Water Resources Group Ltd (July 2012 – June 2013)

DIRECTORS' REPORT

William Johnson	**Managing Director**
Appointed	25 March 2013
Previous position held	Executive Director (January 2013 to March 2013) Non-Executive Director (April 2010 to January 2013) Executive Director (July 2006 to April 2010)
Qualifications	MA (Oxon), MBA
Experience	Mr Johnson commenced his career in resource exploration and has held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Most recently, Mr Johnson has acted as an executive and non-executive director of a number of ASX listed resource exploration and development companies and brings a considerable depth of experience in business strategy, investment analysis, finance and execution.
Special responsibilities	None
Relevant Interests in shares and options	3,000,000 Unlisted Directors' Options ($0.30, 17 June 2018) 249,273 Shares
Other current directorships in listed entities	Non-Executive Director of: Bentley Capital Limited (appointed March 2009)
Former directorships in other listed entities in past 3 years	Orion Equities Limited (February 2003 – May 2013) Cuervo Resources Inc (March 2013 – December 2013) Alara Resources Limited (October 2009 – October 2013)

Matthew Hammond	**Non-Executive Director**
Appointed	25 September 2009
Qualifications	BA (Hons) (Bristol)
Experience	Mr Hammond is the Group Managing Director of Mail.ru, one of the largest European internet businesses. Prior to that he was Group Strategist at Metalloinvest Holdings, where he had responsibility for part of the non-core asset portfolio. Prior to joining Metalloinvest, Mr Hammond was a director at Credit Suisse, where he worked for 12 years as an investment analyst. During his time with Credit Suisse Mr. Hammond was ranked number one 8 times in the Extell, Institutional Investor and Reuters surveys.
Special responsibilities	Member of the Audit and Remuneration and Nomination Committees
Relevant Interests in shares and options	Nil
Other current directorships in listed entities	Managing Director of: Mail.Ru. (appointed April 2011) Non-Executive Director of: Puricore Inc. (appointed May 2010)
Former directorships in other listed entities in past 3 years	Nautilus Minerals Inc (October 2009 – September 2013)

DIRECTORS' REPORT

Samantha Tough	**Non-Executive Director**
Appointed	23 January 2012
Qualifications	LLB, BJuris (Western Australia), GAICD
Experience	Ms Tough is a professional company director and chairman, with more than 14 years' experience in public and private companies, including four positions as Chairman. She has strong, proven strategic expertise, particularly in identifying and implementing growth strategies for complex and substantial businesses and early-stage propositions. Ms Tough has served at senior executive level or on the Board in a wide range of industries, including metals and mining in particular iron ore, oil and gas, engineering services, infrastructure, energy and energy efficiency, venture capital, e-commerce, international telecommunications and law. Her previous executive roles include Senior Vice President, Strategic Counsel – Natural Resources at the Commonwealth Bank, General Manager North West Shelf at Woodside Energy Ltd and Director Strategy Hardman Resources Ltd. She also led the Pilbara Power Project on behalf of the Premier's Department. Samantha's involvement in these industries has given her a sound understanding of conducting business internationally.
Special responsibilities	Member of the Audit Committee
Relevant Interests in shares and options	Nil
Other current directorships in listed entities	Non-Executive Director of: Saracen Mineral Holdings Limited (appointed 1 October 2013) Synergy (appointed 22 October 2014) Molopo Energy Limited (appointed 29 December 2014) Cape Plc (appointed 1 January 2015) Chairman of: Aerison Pty Ltd (appointed 2012)
Former directorships in other listed entities in past 3 years	Murchison Metals Ltd (May 2011 - Feb 2012) Southern Cross Goldfields Ltd (July 2007 – 23 September 2013)

Victor P. H. Ho	**Non-Executive Director**
Appointed	24 January 2014
Qualifications	BCom, LLB (Western Australia), CTA
Experience	Mr Ho is a previous Director and Company Secretary of Strike Resources (2000 to 2010) and has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 15+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
Special responsibilities	None
Relevant Interests in shares and options	Nil
Other current directorships in listed entities	Executive Director of: Orion Equities Limited (appointed July 2003) Queste Communications Ltd (appointed April 2013)
Former directorships in other listed entities in past 3 years	None

DIRECTORS' REPORT

Farooq Khan **Alternate Director for Mr Victor Ho**

Appointed 24 January 2014

Qualifications LLB, BJuris (Western Australia)

Experience Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan is a previous Director of Strike Resources (1999 to 2011) and has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies.

In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.

Special responsibilities Member of the Audit Committee (appointed on 11 March 2015)

Relevant Interests in shares and options 530,010 Shares (directly)

Other current directorships in listed entities Executive Chairman of:
Orion Equities Limited (appointed October 2006)
Bentley Capital Limited (appointed December 2003)

Executive Chairman and Managing Director of:
Queste Communications Ltd (appointed March 1998)

Former directorships in other listed entities in past 3 years Alara Resources Limited (May 2007 – August 2012)

Company Secretary

David Palumbo **Company Secretary**

Appointed 14 August 2013

Qualifications BCom, CA

Experience Mr Palumbo is a Chartered Accountant with over six years' experience in the auditing and financial reporting of ASX listed and unlisted companies. Mr Palumbo has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services. Mr Palumbo is currently Company Secretary of Krakatoa Resources Limited. Mr Palumbo is a Corporate Compliance & Accounting Manager at Mining Corporate.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

Name of Director	Board Meetings		Committee Meetings (Audit)		Committee Meetings (Remuneration/ Nomination)	
	Attended	Meetings Held	Attended	Meetings held	Attended	Meetings held
M Richmond	3	4	-	1	-	-
W Johnson	4	4	*	*	-	-
M Hammond	3	4	-	1	-	-
S Tough	4	4	1	1	**	**
V Ho	-	4	-	-	-	-
F Khan ***	4	4	1	1	-	-

* Attended by invitation, not a member of the relevant committee
** Not a member of the relevant committee
*** Attended 4 Board Meetings as an alternate director for Mr Ho. Mr Khan was appointed to the Audit Committee on 11 March 2015.

Retirement, Election and Continuance in Office of Directors

Mr Hammond retired as Director by rotation under the Company's Constitution at the November 2014 AGM and was re-elected at that meeting.

Mr Ho was elected as Non-Executive Director at the November 2014 AGM.

DIRECTORS' REPORT

Remuneration Report (Audited)

The Directors are pleased to present the Company's 2015 remuneration report which sets out remuneration information for Strike Resources Limited's Non-Executive Directors, Executive Director and other key management personnel.

Key management personnel disclosed in this report

Non-Executive and Executive Directors (see pages 4 to 7 for details about each director)	
M Richmond	Chairman
W Johnson	Managing Director
M Hammond	Non-Executive Director
S Tough	Non-Executive Director
V Ho	Non-Executive Director
F Khan	Alternate Director for Mr Ho

Remuneration Governance (under which details of remuneration committee is disclosed)

The Remuneration and Nomination Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- the necessary and desirable competencies of Directors and the extent to which these are reflected in the Board
- suitable candidates for the position of Managing Director, when required
- the development and review of Board succession plans
- the appointment and re-election of Directors
- making recommendations to the Board on policy governing the benefits of the Managing Director and any other Executive Director, including equity-based remuneration
- making recommendations to the Board on the specific benefits to be provided to the Managing Director within the policy
- conducting an annual review of Non-Executive Directors' fees and determining whether the limit on the Non-Executive Directors' fee pool remains appropriate, and
- assisting the Managing Director to determine the remuneration (including equity- based remuneration) of Senior Management and advise on those determinations

The purposes of the Remuneration and Nomination Committee are to:

- assist the Managing Director and the Board to adopt and implement a remuneration system that is required to attract, retain and motivate the personnel who will enable the Company to achieve long-term success; and
- identify appropriate candidates for membership of the Board and, when necessary, identify suitable candidates for the role of Managing Director.

In doing this, the Remuneration and Nomination Committee seeks advice from independent remuneration consultants and consults market and industry surveys. There was no advice received during the current financial year.

Ultimate responsibility for the Company's remuneration and nomination policies and practices remains with the full Board.

The Corporate Governance Statement provides further information on the role of this Committee.

A copy of Strike's Remuneration and Nomination Committee Charter can be found on the Company's website at www.strikeresources.com.au.

Non-Executive Director Remuneration Policy

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. The Remuneration and Nomination Committee is responsible to review Non-Executive Directors' fees annually and makes recommendation to the Board. The Board has also considered the advice of independent market consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of Non-Executive Directors' based on comparative roles in the external market.

DIRECTORS' REPORT

Pursuant to the Company's Constitution, each Director is entitled to receive:

- Payment for the performance of extra services and the undertaking of any executive or other work for the Company beyond his or her general duties; and
- Payment for travelling and other expenses properly incurred by a Director in attending meetings of the Company or the Board or in connection with the Company's business.

Historically the Board had resolved to remunerate Non-Executive Directors for work over and above that included in their base Director's fee under a Special Exertion Policy. Where additional services are approved by the Board the Non-Executive Director is entitled to receive $350 per hour plus reimbursement of expenses.

With the exception of the above Special Exertion Policy, Non-Executive Directors do not receive performance-based pay. The Board had also previously resolved and issued Non-Executive Directors with options at various exercise prices and maturity dates as deemed appropriate at that time, however, in line with Corporate Governance Principles and Recommendations this is no longer the practice.

Directors' fees

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $500,000 per annum and was approved by shareholders at the annual general meeting on 25 November 2009.

The Chair's remuneration was reviewed upon his appointment, in February 2011.

Each Non-Executive Director receives $45,000 per year, except for Ms Tough. Ms Tough receives a higher fee, being the market rate that the Company determined was appropriate at the time she was appointed.

During the year the aggregate fees paid or due to be paid to Non-Executive Directors of the Company were as follows:

Director	Office held	Gross Salary/fees and Superannuation for the Period			
		Fees	Special exertions	Superannuation	Total
		$	$	$	$
M Richmond	Chairman	70,000	-	6,650	76,650
M Hammond[1]	Non-Executive Director	45,000	-	-	45,000
S Tough[2]	Non-Executive Director	80,000	-	7,600	87,600
V Ho[3]	Non-Executive Director	11,250	-	1,069	12,319
F Khan[4]	Alternate Director for Mr Ho	33,750	-	3,206	36,956

1. The Director's fee for Mr Hammond was reviewed in October 2010.
2. Ms Tough was appointed as a Non-Executive Director on 23 January 2012. Her Director's fee was approved upon appointment.
3. Mr Ho was appointed as a Non-Executive Director on 20 January 2014. His Director's fee was approved upon appointment.
4. Mr Khan was appointed as an alternate Director for Mr Ho on 20 January 2014.

Retirement Allowances for Non-Executive Directors

In line with the guidance from the ASX Corporate Governance Council on Non-Executive Directors' remuneration, no Non-Executive Directors receive retirement allowances. Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made and are deducted from the directors' overall fee entitlements.

Executive Remuneration Policy and Framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company's strategic and business objectives and the creation of shareholder value
- transparent, and
- acceptable to shareholders.

The executive remuneration framework has three components:

- base pay and benefits, including superannuation
- short-term performance incentives, and
- long-term incentives through participation in the Strike Resources Limited Employee Option Plan.

DIRECTORS' REPORT

Base Pay and Benefits

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Independent remuneration consultants and/or reports provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. Base pay for executives is also reviewed on promotion.

The Managing Director's contract was amended during the financial year resulting in a reduction of base pay to $208,000 per annum effective 1 May 2015 and the termination notice period changed from 6 months to 1 month.

There are no guaranteed base pay increases included in the executives' contracts.

Short-term Incentives

The Managing Director has the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved. The targets are reviewed annually.

There were no STI targets set by the Remuneration Committee for the Managing Director during 2015 financial year.

The Remuneration and Nomination Committee is responsible for assessing whether the KPIs are met. To assist in this assessment, the Committee receives detailed reports on performance from management which are verified by industry surveys and, where deemed appropriate, independent remuneration consultants. The Committee will make recommendations to the Board to adjust short-term incentives downwards in light of unexpected or unintended circumstances. Other senior executives currently do not have any short term incentives such as cash bonuses included in their employment contracts. The executives' performance is assessed on an annual basis and bonuses may be awarded on achievement of key performance objectives by recommendation of the Managing Director and at the discretion of the Board.

Long-term Incentives

Long-term incentives are provided to certain employees via the Strike Resources Limited Employee Option Plan which was approved by shareholders at the 6 November 2008 annual general meeting. The Employee Option Plan was subsequently amended on 8 November 2011.

The Strike Resources Limited Employee Option Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted options which are vested on issue. The Board has discretion to determine the exercise price and maturity date. Participation in the plan is at Board discretion and will often form part of an employment contract.

Director options were granted during the 2013 financial year which contributed to the Managing Director's long-term incentives.

Share Trading Policy

The Company's Share Trading Policy regulates all Directors' and, employees' of Strike Resources Limited and its subsidiaries, and certain contractors', dealings in the Company's securities. The Policy prohibits:

- subscribing for, purchasing or selling Company securities or entering into an agreement to do any of those things; and
- advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company securities,

whilst in possession of market-sensitive information, prior to disclosure of that information to the market and thereafter until adequate time has elapsed for this to be reflected in the security's price, in accordance with the *Corporations Act 2001*. The Policy also prohibits communicating inside information to any other person when directors, employees of Strike Resources Limited and its subsidiaries, and certain contractors should reasonably know that they may deal in the Company's securities or encourage another person to do so.

In order to further reduce the risk of inappropriate securities dealing, directors, employees of Strike Resources Limited and its subsidiaries, and certain contractors, must not deal in Company securities without the written consent of the "Trading Officers" nominated in the Company's Share Trading Policy. Consent will not be given during certain "Prohibited Periods" before key reporting dates or while inside information exists.

Directors, employees of Strike Resources Limited and its subsidiaries, and certain contractors must inform the Company Secretary of all transactions they enter into involving the Company's securities to enable disclosure to the market, where required.

A copy of Strike's Share Trading Policy can be found on the Company's website as www.strikeresources.com.au.

DIRECTORS' REPORT

Voting and Comments Made at the Company's 2014 Annual General Meeting

Strike Resources Limited received more than 98% (2013: 99%) of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Detail of Remuneration

The following tables show details of the remuneration received or due to be received by the Directors and the key management personnel of the Consolidated Entity for the current and previous financial years.

	Short-term employee benefits				Post-employment benefits	Long-term benefits		Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary benefit	Annual Leave	Super-annuation	Long-service leave	Termination benefits	Options	
2015	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:									
M Richmond	70,000	-	-	-	6,650	-	-	-	76,650
M Hammond	45,000	-	-	-	-	-	-	-	45,000
S Tough	80,000	-	-	-	7,600	-	-	-	87,600
V Ho	11,250	-	-	-	1,069	-	-	-	12,319
F Khan	33,750	-	-	-	3,206	-	-	-	36,956
Executive Director:									
W Johnson	376,308	-	-	33,261	35,749	-	-	-	445,318
Total	**616,308**	**-**	**-**	**33,261**	**54,274**	**-**	**-**	**-**	**703,843**

	Short-term employee benefits				Post-employment benefits	Long-term benefits		Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary benefit	Annual Leave	Super-annuation	Long-service leave	Termination benefits	Options	
2014	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors:									
M Richmond	70,000	-	-	-	6,475	-	-	-	76,475
M Hammond	45,000	-	-	-	-	-	-	-	45,000
S Tough	80,000	-	-	-	7,200	-	-	-	87,200
V Ho[1]	5,050	-	-	-	480	-	-	-	5,530
F Khan[1]	15,151	-	-	-	1,439	-	-	-	16,590
Executive Director:									
W Johnson	400,000	-	-	33,187	37,000	-	-	-	470,187
Total	**615,201**	**-**	**-**	**33,187**	**52,594**	**-**	**-**	**-**	**700,982**

1. Mr Ho was appointed as a Non-Executive Director and Mr Khan was appointed as an Alternate Director for Mr Ho on 20 January 2014.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration		At risk - STI		At risk – LTI #	
	2015	2014	2015	2014	2015	2014
Executive Director						
W Johnson	100%	100%	-	-	-	-

Long-term incentives are provided exclusively by way of options, the percentages disclosed also reflect the value of remuneration consisting of options, based on the value of options expensed during the year. Negative amounts indicate expenses reversed during the year due to a failure to satisfy the vesting conditions.

Service Agreements

Appointment to the Board as a Director is via resolution which outlines the Director's agreed remuneration. The appointment is later ratified by shareholders at the next general meeting. No formal service agreements are executed for Non-Executive Directors. On the appointment to the Board, the Company enters into a deed with each Non-Executive Director to regulate certain matters between the Company and that Non-Executive Director, however Matthew Hammond has not executed such a deed.

DIRECTORS' REPORT

Remuneration and other terms of employment for the Managing Director and other key management personnel are formalised in Employment Agreements. The Employment Agreement of the Managing Director provides for the provision of performance-related cash bonuses, which are reviewed annually by the Remuneration and Nomination Committee. No specific cash bonuses are provided in the Employment Agreements of other key management personnel.

The Employment Agreement with the Managing Director may be terminated early by either party with notice period of 1 month. There are no other termination benefits.

Share-based Compensation

There were no options granted to Directors' or key management person as part of their remuneration during the current year (2014: nil).

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share within 5 business days after the exercise.

Shares Provided on Exercise of Remuneration Options

There were no shares issued as a result of the exercise of Directors' or employee options which were issued as part of remuneration during the current year (2014: nil).

Details of Remuneration: Bonuses and Share-based Compensation Benefits

There were no cash bonuses or share based compensation benefits paid or granted during the current year (2014: nil).

Equity instrument disclosures relating to key management personnel

i. Options holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Strike Resources Limited and other key management personnel of the Consolidated Entity, including their personally related parties, are set out below:

	Balance at 1 July 2014	Balance at appointment	Granted as compensation	Net change other[1]	Balance at 30 June 2015	Vested and exercisable	Unvested
2015							
M Richmond	-	-	-	-	-	-	-
M Hammond	-	-	-	-	-	-	-
W Johnson	3,000,000	-	-	-	3,000,000	3,000,000	-
S Tough	-	-	-	-	-	-	-
V Ho	-	-	-	-	-	-	-
F Khan	-	-	-	-	-	-	-
Total	**3,000,000**	**-**	**-**	**-**	**3,000,000**	**3,000,000**	**-**

1. Figures in "net change other" column represent final holding when the options have been cancelled or have lapsed.

ii. Share holdings [2]

The numbers of shares in the Company held during the financial year by each director of Strike Resources Limited and other key management personnel of the Consolidated Entity are set out below. There were no shares granted during the reporting period as compensation.

	Balance at beginning of year	Received during the year on the exercise of options	Net change other	Balance at the end of the year
2015				
M Richmond	100,000	-	-	100,000
M Hammond	-	-	-	-
W Johnson	249,273	-	-	249,273
S Tough	-	-	-	-
V Ho	116,001	-	-	116,001
F Khan	17,441,605	-	(16 690 802)[3]	750,803
Total	**17,906,879**	**-**	**(16,690,802)**	**1,216,077**

[2] The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

[3] Refer Appendix 3Y Change of Director's Interest Notice dated 20 November 2014

DIRECTORS' REPORT

Loans to Key Management Personnel

There were no loans to Key Management Personnel (or their personally-related entities) during the financial year.

Other Transactions with Key Management Personnel

There were no transactions with Key Management Personnel (or their personally-related entities) during the financial year.

This concludes the Audit Remuneration Report

Shares under Options

Unissued ordinary shares of Strike Resources Limited under option at the date of this report are as follows:

Date of options granted	Expiry date	Issue price of shares	Number under option
24 November 2011	23 November 2016	$0.36	833,334
24 November 2011	23 November 2016	$0.42	833,333
24 November 2011	23 November 2016	$0.56	833,333
5 April 2012	23 November 2016	$0.36	333,334
5 April 2012	23 November 2016	$0.42	333,333
5 April 2012	23 November 2016	$0.56	333,333
18 June 2013	17 June 2018	$0.30	3,000,000

No option holder has any right under the options to participate in any other share issue of the Company.

Insurance of Officer

The Directors have not included details of the nature of the liabilities covered or the amount of premiums paid in respect of a Directors' and Officers' liability and legal expenses insurance contract, as such disclosure is prohibited under the terms of the contract.

The Company has entered into deeds of indemnity with each director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

Environmental Regulation

The Consolidated Entity notes the reporting requirements of both the *Energy Efficiency Opportunities Act 2006* ("**EEOA**") and the *National Greenhouse and Energy Reporting Act 2007* ("**NGERA**").

The *Energy Efficiency Opportunities Act 2006* requires an affected company to assess its energy usage, including the identification, investigation and evaluation of energy saving opportunities, and to report publicly on the assessments undertaken, including what action the company intends to take as a result.

The Consolidated Entity has determined that it does not operate a recognised facility requiring registration and reporting under the NGERA and, in any event it would fall under the threshold of greenhouse gas emissions required for registration and reporting. Similarly, the Consolidated Entity's energy consumption would fall under the threshold required for registration and reporting under the EEOA.

The Consolidated Entity is not otherwise subject to any particular or significant environmental regulation under either Commonwealth or State legislation. To the extent that any environmental regulations may have an incidental impact on the Consolidated Entity's operations, the Directors are not aware of any breach by the Consolidated Entity of those regulations.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

DIRECTORS' REPORT

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Entity are important. Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) and to other parties for work performed on behalf of the auditor, for audit and non-audit services provided during the year are set out below.

	$
Auditors of the Consolidated Entity	37,500
Audit and review of financial statements	
- BDO Audit (WA) Pty Ltd	
Auditors of the Peruvian subsidiaries	4,974
Audit and review of financial statements	
- BDO Pazos, Lopez de Romana, Rodriguez	17,085
BDO Tax (WA) Pty Ltd – ITR and FBT	59,559

During the year the $17,085 was paid or payable for services provided by related practices of the auditor of the parent entity.

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartially and objectivity of the auditor.
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year there were $17,085 non-audit fees paid or payable for the services provided by the auditor of the Company, its related practices and non-related audit firms.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporation Act 2001*.

This report is made in accordance with a resolution of directors.

William Johnson

Managing Director

25 September 2015

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Australia

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF STRIKE RESOURCES LIMITED

As lead auditor of Strike Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Strike Resources Limited and the entities it controlled during the period.

Wayne Basford

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Note	2015 $	2014 $
Revenue	5	251,077	609,339
Reversal of legal accrual		235,841	-
Reversal of SUNAT provision	5	1,097,982	-
Fair value adjustment -financial assets held as fair value through profit and loss		-	(109,616)
Foreign exchange loss		(24,647)	-
Impairment expense	5	(720,953)	(44,077,886)
Loss on sale of fixed assets		-	(14,411)
Operating expenses		(31,314)	(241,090)
Other corporate costs	5	(845,969)	(3,346,285)
Personnel costs	5	(615,188)	(1,504,730)
Gain on loss of control of subsidiary		144,075	-
Profit/(loss) before income tax		(509,096)	(48,684,679)
Income tax expense	6	(8,768)	(76,771)
Profit/(loss) after income tax for the year		(517,864)	(48,761,450)
Profit/(loss) is attributable to:			
Equity holders of Strike Resources Limited		(517,864)	(48,761,450)
Other comprehensive income			
Items that may be reclassified subsequently to Profit or Loss			
Exchange differences on translation of foreign operations		(281,270)	494,292
Other comprehensive income/(loss) net of tax		(281,270)	494,292
Total comprehensive income/(loss) for the year		(799,134)	(48,267,158)
Total comprehensive income/(loss) for the year is attributable to:			
Equity holders of Strike Resources Limited		(799,134)	(48,267,158)
Earnings / (Loss) per share for the year attributable to the members of Strike Resources Limited			
Basic earnings/(loss) per share (cents)	24	(0.36)	(33.55)
Diluted earnings/(loss) per share (cents)	24	(0.36)	(33.55)

This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	7	8,374,206	10,350,983
Trade and other receivables	8	7,739	74,328
Non-Current assets held for sale	9	-	498,992
Total current assets		8,381,945	10,924,303
Non-current assets			
Property, plant and equipment	10	1,072	-
Exploration and evaluation expenditure	11	-	-
Total non-current assets		1,072	-
Total assets		8,383,017	10,924,303
Current liabilities			
Trade and other payables	12	734,214	2,414,711
Provisions	13	8,700	70,355
Total current liabilities		742,914	2,485,066
Total liabilities		742,914	2,485,066
Net assets		7,640,103	8,439,237
Equity			
Issued capital	14	148,439,925	148,439,925
Reserves	15	15,345,944	15,627,214
Accumulated losses		(156,145,766)	(155,627,902)
Total equity		7,640,103	8,439,237

This consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Contributed Equity $	Currency Translation Reserve $	Share-based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance as at 30 June 2013	**148,439,925**	**1,899,896**	**13,233,026**	**(106,866,452)**	**56,706,395**
Total income for the period					
Current period income/(loss)	-	-	-	(48,761,450)	(48,761,450)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	494,292	-	-	494,292
Total comprehensive income/(loss) for the year	-	494,292	-	(48,761,450)	(48,267,158)
Transactions with owners in their capacity as owners:					
Ordinary shares	-	-	-	-	-
Balance as at 30 June 2014	**148,439,925**	**2,394,188**	**13,233,026**	**(155,627,902)**	**8,439,237**
Total income for the period					
Current period income/(loss)	-	-	-	(517,864)	(517,864)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	(281,270)	-	-	(281,270)
Total comprehensive income/(loss) for the year	-	(281,270)	-	(517,864)	(799,134)
Transactions with owners in their capacity as owners:					
Ordinary shares	-	-	-	-	-
Balance as at 30 June 2015	**148,439,925**	**2,112,918**	**13,233,026**	**(156,145,766)**	**7,640,103**

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		-	161,724
Payments to suppliers and employees		(2,069,478)	(3,247,511)
Interest received		265,051	467,326
Net cash outflow from operating activities	23	(1,804,427)	(2,618,461)
Cash flows from investing activities			
Exploration and evaluation expenditure		(194,771)	(1,439,803)
Proceeds from disposal of fixed assets		24,029	-
Payments for property, plant and equipment		(1,608)	(5,586)
Net cash outflow from investing activities		(172,350)	(1,445,389)
Cash flows from financing activities			
Payments for share issue cost		-	-
Net cash inflow from financing activities		-	-
Net decrease in cash and cash equivalents		(1,976,777)	(4,063,850)
Cash and cash equivalents at beginning of the year		10,350,983	14,414,971
Effect of exchange rate changes on cash balance		-	(138)
Cash and cash equivalents at year end	7	8,374,206	10,350,983

This consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Strike Resources Limited and its subsidiaries.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.* Strike Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Compliance with IFRS

The consolidated financial statements of Strike Resources Limited also comply with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Consolidated Entity

The consolidated entity has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2014:

- Interpretation 21 Accounting for Levies
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2014-1 Amendments to Australia Accounting Standards

The consolidated entity also elected to adopt the following standards early:

- AASB2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisition of Interests in Joint Operations
- AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its Associate or Joint Venture
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments

None of the new Standards and amendments to Standards that are mandatory or early adopted for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. Additionally, they did not significantly affect the Group's accounting policies or any of the disclosures.

iii. Early adoption of standards

The Consolidated Entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014 apart from the early adoption of AASB 9 'Financial Instruments'.

iv. Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value though profit or loss, assets of disposal group held for sale and capitalised exploration and evaluation expenditure.

v. Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

b. Principles of Consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Strike Resources Limited ("**Company**" or "**Strike**") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Strike Resources Limited and its subsidiaries together are referred to in this financial report as Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Consolidated Statement of Financial Position respectively.

ii. Changes in ownership interests

The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Strike Resources Limited.

When the Consolidated Entity ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for retained interest as an associate. In addition, any amounts previously recognised in Other

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Comprehensive Income in respect of that entity are accounted for as if the Consolidated Entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to profit or loss where appropriate.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director. The Managing Director is responsible for allocating resources and assessing performance of the operating segments.

d. Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each company in the Consolidated Entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Strike Resources Limited's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains or losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or operating expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

iii. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Consolidated Entity recognises revenue when the amount of revenue can be reliably measured. It is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Consolidated Entity's activities as described below. The Consolidate Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

i. Consultancy fees

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

ii. Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of other assets is recognised when the Consolidated Entity has passed control and the risks and rewards of ownership of the goods/assets to the buyer.

iii. Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Consolidated Entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

iv. Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 1(k).

v. Other revenues

Other revenues are recognised on a receipts basis.

f. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

g. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

h. Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i. Cash and Cash Equivalents

For the purpose of presentation in the Consolidate Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

j. Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

k. Investments and Other Financial Assets Classification

The Consolidated Entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Financial assets-reclassification

The Consolidated Entity may choose to reclassify non-derivative trading financial assets out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Entity may choose to reclassify financial assets that would meet the definition of loans and receivables out of held for trading if the Consolidated Entity has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Consolidated Entity commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Consolidated Entity measures a financial asset at its fair value plus, in case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the “financial asset at fair value through profit or loss” category are presented in profit or loss within Other Comprehensive Income or Other Operating Expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of revenue from continuing operations when the Consolidated Entity’s right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Impairment

The Consolidated Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset (or a group of financial assets) is impaired and the impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(i) Financial Assets carried at amortised cost

For loans and receivables, the amount of loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

l. Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Computer equipment	33.33% to 66.67%
Plant & equipment	12.5%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount note 1(n).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

m. Mineral exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is initially capitalised in respect of each identifiable area of interest where the Consolidated Entity has right of tenure. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically-recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Under *AASB 6 Exploration for and Evaluation of Mineral Resources*, if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Consolidated Entity must perform impairment tests on those assets and measure any impairment in accordance with *AASB 136 Impairment of Assets*. Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

n. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

o. Employee Benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii. Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

iii. Share-based payments

Shared-based compensation benefits are provided to employees via the Strike Resources Limited Employee Option Plan. Information on these schemes is set out in note 25.

p. Employee Benefits (continued)

The fair value of options granted under Strike Resources Limited Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss with a corresponding adjustment to equity.

q. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are included in the cost of the acquisition as part of the purchase consideration.

r. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

s. Earnings per Share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

t. Goods and Services Tax ("GST") (including Value Added Tax – "VAT")

Revenues, expenses and assets are recognised net of the amount of any associated GST (VAT), unless the GST (VAT) incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST (VAT) receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST (VAT) components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

u. New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Consolidated Entity has elected not to early adopt any Standards or Interpretations.

The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below:

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarifications of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

There are no other standards that are not yet effective and that are expected to have material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

v. Parent Entity Financial Information

The financial information for the parent entity, Strike Resources Limited, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements.

2. Financial Risk Management

Financial Risk Management Objectives and Policies

The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable. The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, foreign exchange risk, credit risk, equity price risk and liquidity risk.

The Board of Directors' is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably-qualified management personnel in conjunction with a range of policies and procedures, which incorporate monitoring and reporting mechanisms, to assist in the management of the various risks to which the business is exposed. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

The Consolidated Entity holds the following instruments.

	Variable interest rate		Fixed interest rate		Non-interest bearing		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Financial assets	$	$	$	$	$	$	$	$
Cash	195,800	190,525	8,075,000	9,850,000	103,406	310,458	8,374,206	10,350,983
Receivables	-	-	-	-	-	61,892	-	61,892
Loan receivable	-	-	-	-	-	-	-	-
Financial assets	-	-	-	-	-	-	-	-
	195,800	190,525	8,075,000	9,850,000	103,406	372,350	8,374,206	10,412,875
Financial liabilities								
Payables	-	-	-	-	(84,109)	(1,014,613)	(84,109)	(1,014,613)
Net financial assets	195,800	190,525	8,075,000	9,850,000	19,297	(642,263)	8,290,097	9,398,262

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a. Market Risk

i. Foreign Exchange Risk

The Consolidated Entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Peruvian Nuevo Soles and Canadian dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity has a policy of not hedging foreign exchange risk and therefore has not entered into any hedging against movements in foreign currencies against the Australian dollar, including forward exchange contracts, as at the reporting date and is currently fully exposed to foreign exchange risk.

i. Foreign Exchange Risk

The Consolidated Entity's exposure to foreign exchange risk expressed in Australian dollar at the reporting date was as follows:

	USD		Others	
	2015	2014	2015	2014
Financial assets				
Cash at bank	74,044	189,495	-	-
Receivables	-	47,918	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Loan receivable	-	-	-	-
Financial liabilities				
Payables	(60,338)	(512,303)	-	-
	13,706	(274,890)	-	-

Sensitivity

The Consolidated Entity has performed a sensitivity analysis on its exposure to exchange risk. The management assessment is based upon an analysis of current and future market position. The analysis demonstrates the effect on the current-year results and equity when the Australian dollar strengthened or weakened by 10% (2014: 10%) against the foreign currencies detailed above, with all the other variables held constant.

	2015 $	2014 $
Change in profit		
increase by 10%	1,371	27,489
decrease by 10%	(1,371)	(27,489)
Change in equity		
increase by 10%	-	-
decrease by 10%	-	-

a. Market Risk (continued)

i. Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest-bearing cash deposits.

	2015 $	2014 $
Cash at bank	299,206	500,983
Term deposit	8,075,000	9,850,000
	8,374,206	10,350,983
Weighted average interest rates	2.84%	3.51%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Entity has performed a sensitivity analysis on its exposure to interest rate risk at the reporting date. The management assessment is based upon an analysis of current and future market conditions, in particular comments from the Reserve Bank of Australia on the likely movement of interest rates. The analysis demonstrates the potential effect on the current year results and equity which could result from a change in these risks.

	2015 $	2014 $
Change in profit		
increase by 25bps (2014: 25bps)	20,369	25,101
decrease by 25bps (2014: 25bps)	(20,369)	(25,101)
Change in equity		
increase by 25bps (2014: 25bps)	-	-
decrease by 25bps (2014: 25bps)	-	-

b. Credit Risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Concentrations of credit risk are minimised primarily by undertaking appropriate due diligence on potential investments, carrying out all market transactions through approved brokers, settling non-market transactions with the involvement of suitably qualified legal and accounting personnel (both internal and external), and obtaining sufficient collateral or other security (where appropriate) as a means of mitigating the risk of financial loss from defaults.

Pursuant to the Cuervo Investment Agreement, the Company holds a pledge over the shares of Minera Cuervo S.A.C., which pledge is exercisable if Cuervo defaults under the Investment Agreement.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates:

	2015 $	2014 $
Cash and cash equivalents		
AA	8,270,800	6,981,246
A+	-	3,100,000
No external credit rating available	103,406	269,737
	8,374,206	10,350,983
Receivables and loans		
AA	-	58,215
A+	-	3,116
No external credit rating available	-	12,997
	8,374,206	10,425,311

The Consolidated Entity measures credit risk on a fair-value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Consolidated Entity's maximum exposure to credit risk. All receivables noted above, except interest on term deposits, are due within 30 days. None of the above receivables are past due.

c. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due and to close out the market positions. At the end of the reporting period the Consolidated Entity held deposits of $8,075,000 (2014: $9,850,000) that mature within the next 3 months after 30 June 2015 that are expected to readily generate cash inflows for managing liquidity risk.

The financial liabilities disclosed have the following maturity obligation:

	Carrying Amount		Contractual Amount	
	2015	2014	2015	2014
Non-interest bearing	$	$	$	$
less than 6 months	84,109	276,184	84,109	276,184
6 to 12 months	-	738,429	-	738,429
more than 12 months	-	-	-	-
	84,109	1,014,613	84,109	1,014,613

d. Net Fair Value of Financial Assets and Liabilities

The carrying amounts of financial instruments recorded in the financial statements approximates their fair value determined in accordance with the accounting policies disclosed in Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

e. Fair Value Measurements

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Consolidated Entity is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Techniques such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of financial instruments must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: *Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

a. Impairment of Capitalised Exploration and Evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including the Consolidated Entity's ability to develop the relevant area of interest itself or, if not, whether it can successfully recover the capitalised exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the grade and quantity of mineral resources, future technological changes which impact the cost of mining, future legal changes (including changes to environmental restoration obligations), changes to commodity prices, right of tenure and community approvals or access.

b. SUNAT tax

In June 2014, The Peruvian Tax Administration ("SUNAT") completed an audit on Apurimac Ferrum S.A ("AF") relating to Non Resident Income Tax Withholding for the fiscal years 2010 and 2011.

The SUNAT notified AF a set of Resolutions that determine a debt for Non Domiciled Income Tax Withholding and Fine Resolutions as a result of the Audit process.

AF has obtained independent advice in respect to the SUNAT findings identifying that the Company has strong arguments in its defence. As a result, AF has officially lodged a claim against the SUNAT findings.

In April 2015, AF received resolutions from SUNAT which have predominantly ruled in favour of a claim made by AF. As a result, AF was able to reverse A$1.1 million of its A$1.7 million accrual that is has previously recognised for SUNAT withholding taxes.

SUNAT has requested its audit area to complete a re-audit on several of initial findings believing that insufficient evidence was compiled to support its position. AF plans to appeal this matter to the Tax Administrative Court but will continue to recognise an accrual of A$610,878 for the resolutions subject to further investigation until the dispute is completely resolved.

4. Segment Information

a. Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from both a product and a geographic perspective and has identified two reportable segments as follows:

- Australia
- Peru (Iron Ore)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In April 2014, the Company announced that it was undertaking a full strategic review of all of its assets and has determined to close its office and operations in Peru.

b. Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2014 and 30 June 2015 are as follows:

2015	Peru	Australia	Total
Interest revenue	-	251,077	251,077
Sale of iron ore	-	-	-
Other income	-	-	-
Inter-segment revenue	-	-	-
Other income	**-**	**251,077**	**251,077**
Adjusted EBITDA	**116,555**	**(1,371,162)**	**(1,254,607)**
Depreciation and amortisation	-	(536)	(536)
Personnel costs	21,744	(636,932)	(615,188)
Impairment losses:			
- Exploration & Evaluation expenditure	(222,194)	1,583	(220,611)
- Land	(470,129)	-	(470,129)
Total segment assets	**103,406**	**8,279,611**	**8,383,017**
Total segment liabilities	**(834,274)**	**(38,498,846)**	**(39,333,120)**

2014	Peru	Australia	Total
Interest revenue	-	418,462	418,462
Sale of iron ore	129,865	-	129,865
Other income	-	61,012	61,012
Inter-segment revenue	-	-	-
Other income	**129,865**	**479,524**	**609,339**
Adjusted EBITDA	**(49,206,548)**	**(4,942,921)**	**(54,149,469)**
Depreciation and amortisation	(37,721)	(2,395)	(40,116)
Personnel costs	(880,803)	(623,927)	(1,504,730)
Impairment losses:			
- Loan to Cuervo Resources Inc.	-	(827,641)	(827,641)
- Exploration & Evaluation expenditure	(43,242,933)	(7,312)	(43,250,245)
Fair value adjustment – financial assets held at fair value through profit or loss	-	(109,616)	(109,616)
Total segment assets	**1,641,801**	**10,233,180**	**11,874,981**
Total segment liabilities	**(3,329,012)**	**(39,081,374)**	**(42,410,386)**

c. Other segment information

(i) *Segment revenue*

Segment revenue reconciles to total revenue as per the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	2015 $	2014 $
Other income		
Interest revenue	251,077	418,462
Other income	-	190,877
	251,077	**609,339**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) *Adjusted EBITDA*

A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	2015 $	2014 $
Adjusted EBITDA	**(1,254,607)**	**(54,149,469)**
Intersegment eliminations	746,047	5,504,906
Depreciation	(536)	(40,116)
Profit/(loss) before tax from continuing operations	**(509,096)**	**(48,684,679)**

(iii) *Segment assets and segment liabilities*

Reportable segments' assets and liabilities are reconciled to total assets and liabilities respectively as follows:

	2015 $	2014 $
Segment assets	**8,383,017**	**11,874,981**
Intersegment eliminations	-	(950,678)
Total assets as per the Consolidated Statement of Financial Position	**8,383,017**	**10,924,303**
Segment liabilities	**(39,333,120)**	**(42,410,386)**
Intersegment eliminations	38,590,206	39,925,320
Total liabilities as per the Consolidated Statement of Financial Position	**(742,914)**	**(2,485,066)**

5. Profit/(Loss) for the Year

(a) Revenue

	2015 $	2014 $
Revenue		
Interest received – Cash on deposit	251,077	418,462
Foreign exchange gain	-	61,012
Sale of iron ore	-	129,865
Total revenue and other income	251,077	609,339

(b) Expenses

	2015 $	2014 $
Personnel costs		
Cash remuneration	613,232	1,454,462
Annual leave provision	(54,237)	
Superannuation expense	56,193	50,268
	615,188	1,504,730
Administration costs		
Consultancy fees	245,220	370,297
Professional fees	233,044	1,035,545
Depreciation	536	40,116
Other corporate expenses	367,169	1,900,327
	845,949	3,346,285

(b) Expenses (continued)

	2015 $	2014 $
Impairment losses		
Exploration and evaluation	220,611	43,250,245
Loan to Cuervo Resources Inc.	-	827,641
Non-Current assets held for sale	500,342	-
	720,953	44,077,886
Reversal of SUNAT provision*	1,097,982	-

*Refer to Note 12 for details on SUNAT provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Income Tax Expense

		2015 $	2014 $
(a)	**Income tax expense**		
	Current tax	8,768	76,771
	Deferred tax	-	-
		8,768	76,771
(b)	**Numerical reconciliation between tax expense and pre-tax net profit/(loss)**		
	Profit/(loss) from continuing operations before income tax	(509,096)	(48,684,679)
	Income-tax expense/(benefit) on above at 30%	(152,729)	(14,605,403)
	Increase in income tax due to:		
	Non-deductible expenses and foreign losses	(9,287)	1,704,579
	Current year tax losses not recognised	210,308	1,417,202
	Movement in unrecognised temporary differences	62,993	11,485,101
	Decrease in income tax expenses due to:		
	Non assessable income	-	(1,479)
	Utilisation of prior year tax loss	(108,779)	-
	Foreign tax rates differential	(2,506)	-
	Foreign jurisdiction withholding tax	8,768	76,771
	Income-tax expense attributable to operating profit	8,768	76,771
(c)	**Deferred tax assets not brought to account**		
	On income-tax account		
	– Carry-forward tax losses	9,102,300	9,467,078
	– Other	12,506,259	12,161,566
	Total deferred tax assets not brought to account	21,608,560	21,628,644
(d)	**Deferred tax liability not brought to account**		
	On income-tax account	-	-
	Carry-forward tax losses	-	-
	Other	-	-
	Total deferred tax losses not brought to account	-	-

The deferred tax asset not brought to account for the 2015 and 2014 years will only be obtained if:

i. *the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;*

ii. *the Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation; and*

iii. *in relation to Australian carry forward income tax losses the Consolidated Entity is able to meet the continuity of ownership and/or continuity of business tests.*

The Company and controlled entities of the Company have not elected to consolidate for taxation purposes and have not entered into a tax sharing and funding agreement in respect of such arrangements.

7. Cash and Cash Equivalents

	2015 $	2014 $
Cash at bank	299,206	500,983
Term deposits	8,075,000	9,850,000
	8,374,206	10,350,983

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Risk exposure

The Consolidated Entity's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

8. Trade and Other Receivables

	2015 $	2014 $
Current:		
Loan to Cuervo Resources Inc.	5,216,470	5,216,470
Provision for impairment	(5,216,470)	(5,216,470)
	-	-
Goods and service tax (GST) recoverable in Australia	7,739	12,436
VAT credit & Income Tax Credit	-	1,053
Amounts receivable from sundry debtors	-	60,839
	7,739	74,328

On December 11, 2013 Strike announced it had issued a demand notice for C$5,250,000 plus applicable interest to Cuervo in respect of the Investment Agreement between the two companies, relating to the financing of the Cerro Ccopane project. The demand notice was issued following Strike's concerns regarding the solvency of Cuervo and events of default occurring under the current agreements between the companies. Strike also issued a notice of its intention to enforce its security held over 90% of the shares of the Peruvian company holding the key assets of the project, if the full amount owed to Strike was not paid by December 16, 2013. To date no further action has been undertaken.

Strike is aware that all of the Canadian directors of Cuervo have resigned and the company has been delisted from the Canadian Securities Exchange. Strike is examining its options to recover value as a secured creditor of Cuervo. In this regard, Strike has been advised that the legal and court costs of actively pursuing its claims in Canada and Peru could be considerable. In light of this and the fact that the recoverable value of the Cuervo assets in Peru is questionable under current market conditions, Strike is considering whether to actively pursue its claims.

Refer to Note 2 for the Consolidated Entity's exposure to credit risk, foreign exchange risk and interest rate risk.

9. Non-Current Assets Held for Sale

	2015 $	2014 $
Land	-	428,912
Property, plant and equipment	-	70,080
	-	498,992

On 14 April 2014, following a strategic review the Company decided to close its office and operations in Peru. Since determining to suspend its operations in Peru, the Company is actively looking to dispose of its assets in Peru.

During the financial year, the Company impaired all property, plant and equipment which was unable to be sold. The Company continues to hold 886ha block of land in Cusco. An independent valuation of the land determined that the current market in the mining sector limits any probability of value realisation. As such, the directors have impaired the land held to a value of nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Property, Plant and Equipment

	Capital WIP	Land	Plant and equipment	Leasehold improvements	Total
At 30 June 2013					
Cost or fair value	280	453,167	460,031	-	913,478
Accumulated depreciation and impairment	-	-	(320,906)	-	(320,906)
Net carrying amount	**280**	**453,167**	**139,125**	**-**	**592,572**
2014 Consolidated					
Carrying value at 1 July 2013	280	453,167	139,125	-	592,572
Foreign exchange adjustment	-	(24,255)	7,479	-	(16,776)
Cost of asset additions	-	-	5,786	-	5,786
Depreciation expense	-	-	(40,116)	-	(40,116)
Cost of asset disposals	-	-	(166,669)	-	(166,669)
Accumulated depreciation on disposed assets	-	-	124,195	-	124,195
Reclassification of property, plant and equipment held for sale	(280)	(428,912)	(69,800)	-	(498,992)
Carrying value at 30 June 2014	**-**	**-**	**-**	**-**	**-**
At 30 June 2014					
Cost or fair value	280	428,912	299,148	-	728,340
Accumulated depreciation and impairment	-	-	(229,348)	-	(229,348)
Reclassification of property, plant and equipment held for sale	(280)	(428,912)	(69,800)	-	(498,992)
Net carrying amount	**-**	**-**	**-**	**-**	**-**
2015 Consolidated					
Carrying value at 1 July 2014	-	-	-	-	-
Cost of asset additions	-	-	1,608	-	1,608
Depreciation expense	-	-	(536)	-	(536)
Carrying value at 30 June 2015	**-**	**-**	**1,072**	**-**	**1,072**
At 30 June 2015					
Cost or fair value	-	-	1,608	-	1,608
Accumulated depreciation and impairment	-	-	(536)	-	(536)
Net carrying amount	**-**	**-**	**1,072**	**-**	**1,072**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Exploration and Evaluation Expenditure

	2015 $	2014 $
Balance at the beginning of the year	-	41,842,078
Foreign exchange adjustment	-	158,264
Exploration and evaluation expenditure additions	220,611	1,249,903
Impairment loss – exploration and evaluation*	(220,611)	(43,250,245)
Balance at the end of the year	-	-

*The Consolidated Entity has assessed the carrying amount of the exploration and evaluation in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources and has recognised an impairment expense of $220,611 during the current financial year following the decision to review its commitment to continue sole funding the advancement of its projects in Peru. On 14 April 2014, the Group announced that it was undertaking a full strategic review of all of its assets and due to this it was closing AF's office and operations in Peru.

The ultimate recoverability of deferred exploration and evaluation expenditure is dependent on the successful development or sale of the relevant area of interest. Refer to Note 1(m) & 3(a).

12. Trade and Other Payables

	2015 $	2014 $
Current		
Trade creditors	23,771	182,590
Other creditors and accruals	99,565	761,668
Withholding Tax[1]	610,878	1,470,453
	734,214	2,414,711

[1] Withholding tax accrual of $610,878 arising from the Peruvian Tax Administration ("SUNAT") audit on Apurimac Ferrum S.A ("AF") relating to Non Resident Income Tax Withholding for the fiscal years 2010 and 2011. In June 2014, The Peruvian Tax Administration ("SUNAT") completed an audit on Apurimac Ferrum S.A ("AF") relating to Non Resident Income Tax Withholding for the fiscal years 2010 and 2011.

The SUNAT notified AF a set of Resolutions that determine a debt for Non Domiciled Income Tax Withholding and Fine Resolutions as a result of the Audit process.

AF has obtained independent advice in respect to the SUNAT findings identifying that the Company has strong arguments in its defence. As a result, AF has officially lodged a claim against the SUNAT findings.

In April 2015, AF received resolutions from SUNAT which have predominantly ruled in favour of a claim made by AF. As a result, AF was able to reverse A$1.1 million of its A$1.7 million accrual that it has previously recognised for SUNAT withholding taxes.

SUNAT has requested its audit area to complete a re-audit on several of initial findings believing that insufficient evidence was compiled to support its position. AF plans to appeal this matter to the Tax Administrative Court but will continue to recognise an accrual of A$610,878 for the resolutions subject to further investigation until the dispute is completely resolved.

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note 2.

13. Provisions

	2015 $	2014 $
Current		
Provision for employee entitlements – annual leave	8,700	53,266
Other	-	17,089
	8,700	70,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Issued Capital

	2015 $	2014 $
145,334,268 (2014: 145,334,268) fully-paid ordinary shares	148,439,925	148,439,925

Each fully-paid, ordinary share carries one vote per share and the right to participate in dividends.

	Date of movement	No.	$
Movement in ordinary share capital			
At 1 July 2013		145,334,268	148,439,925
Share issued		-	-
At 30 June 2014		**145,334,268**	**148,439,925**
Share issued		-	-
At 30 June 2015		**145,334,268**	**148,439,925**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

Information relating to the Strike Resources Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 25.

Capital risk management

The Consolidated Entity's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the Consolidated Entity may return capital to shareholders, issue new shares or sell assets to reduce debt. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

15. Reserves

	2015 $	2014 $
Foreign currency translation reserve	2,112,918	2,394,188
Share-based payments reserve	13,233,026	13,233,026
	15,345,944	15,627,214

Nature and Purpose of Other Reserves

i. Share-Based Payment

The share-based payments reserve records the consideration (net of expenses) received by the Company on the issue of options. In relation to options issued to Directors and employees for nil consideration, the fair values of these options are included in the share-based payments reserve.

ii. Foreign Currency Translation

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve as described in Note 1(d) and accumulate in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Key Management Personnel Disclosures

a. Compensation of Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Company's key management personnel for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the Company during the year are as follows:

	2015 $	2014 $
Short-term employee benefits	649,569	615,201
Post-employment benefits	54,274	52,594
	703,843	667,795

17. Auditors' Remuneration

	2015 $	2014 $
Auditors of the Consolidated Entity		
Audit and review of financial statements		
- BDO Audit (WA) Pty Ltd	37,500	41,000
Auditors of the Peruvian subsidiaries		
Audit and review of financial statements		
- BDO Pazos, Lopez de Romana, Rodriguez	4,974	4,000
BDO Tax (WA) Pty Ltd – ITR and FBT	17,085	24,021
	59,559	69,021

During the year the $17,085 was paid or payable for services provided by related practices of the auditor of the parent entity.

18. Contingent Assets and Liabilities

a. Native Title

The Consolidated Entity's tenements in Australia may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Consolidated Entity.

b. Government Royalties

The Consolidated Entity is liable to pay royalties on production obtained from its mineral tenements/concessions.

c. Directors' Deeds

The Consolidated Entity has entered into deeds of indemnity with Strike Resources Limited Directors, indemnifying them against liability incurred in discharging their duties as Directors/officers of the Consolidated Entity. As at the reporting date, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

d. Deferred Consideration to D&C

D&C Group receives the following deferred payments if certain milestones are achieved:

a. US$2 million on Apurimac Ferrum defining a JORC Resource at the Apurimac project of 500 Mt of iron ore with an average grade of at least 55% iron (Fe) or 275 Mt of contained iron at an average grade of 52.5% Fe or above.
b. US$3 million on Apurimac Ferrum S.A achieving environmental and community approvals for the construction of an iron ore mine and associated infrastructure with a design capacity of at least 10Mtpa of iron ore product.
c. US$5 million on formal Apurimac Ferrum Board approval to commence construction of an iron ore project, or the commencement of bulk earthworks for an iron ore processing plant, with a design capacity of at least 10Mtpa of iron ore product (Construction Milestone).

Under the terms of Shootout Settlement Agreement, Apurimac Ferrum S.A will also pay D&C Group the following royalties:

- 1.5% of the net profits from sales of iron ore.
- 2% of the proceeds of sales of other metals (on a net smelter return basis).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Or Apurimac Ferrum S.A may extinguish the royalties by paying D&C Group any one of the following amounts (Extinguishment Payment):

- US$13 million within 2 years from 20 December 2012, or
- US$15 million between 2 and 3 years from 20 December 2012, or
- US$20 million between 3 and 4 years from 20 December 2012, or
- US$30 million after 4 years from 20 December 2012 but before the Construction Milestone occurs or the 15th anniversary of the agreement (whichever is sooner).

Due to the inherent uncertainty surrounding the achievement and timing of the above milestones, as at 30 June the Company treated the deferred consideration as a contingent liability.

e. Millenium legal dispute

Strike is the defendant to a number of legal disputes that have been initiated by the original vendor and/or related parties to the vendor of the Apurimac Project. A number of these disputes have already either passed through arbitration or the judicial system in Peru and been awarded in favour of Strike. However, the vendor and/or related parties to the vendor continue to pursue a number of legal avenues (including appeals on previous decisions) in order to frustrate Strike and potentially regain ownership or the Apurimac and Cusco Projects.

Strike does not consider any of the legal actions brought by the vendor and/or related parties to the vendor to have any reasonable basis for success and will continue to defend all claims raised against it.

19. Commitments

b. Lease Commitments

The Company has no lease commitments as at 30 June 2015.

c. Mineral Tenement/Concession/Mining Rights - Commitments for Expenditure

Australian tenements

In order to maintain current rights of tenure to exploration tenements, the holders of Australian mineral tenements are required to outlay lease rentals and meet minimum expenditure commitments. The Company does not currently have any material commitments for expenditure relating to Australian tenements.

Peruvian concessions

The Consolidated Entity is required to pay annual licence fees by 30 June of each year, at rates which vary on an amount per-hectare basis. The total amount of this commitment will depend upon the area of concessions relinquished (if any) and the area of new concessions granted (if any) and therefore cannot be reliably estimated. As a result of finalising the arbitration process with the shareholders of Apurimac Ferrum S.A.("**AF**"), the Consolidated Entity granted on option over Peruvian tenements held by its subsidiary, Strike Resources Peru S.A.C. Under the terms of the AF Settlement Agreement AF is obliged to make all necessary payments to keep the concessions in good standing. Financial commitments for subsequent periods are contingent upon the continuity of the agreement with AF, future exploration and evaluation results, and as such cannot be reliably estimated.

A number of non-core mineral concessions in Peru were allowed to lapse on 30 June 2015, significantly reducing the Company's annual expenditure in Peru. The Company continues to hold 14 core concessions in Peru which contain its JORC Resources of iron ore in Apurimac and Cusco, as well as some neighbouring concessions which have strategic value associated with the projects.

Australian heritage protection agreements

These agreements facilitate the preservation of Aboriginal heritage through the protection of Aboriginal sites and objects upon the grant of mining tenements in Western Australia. The Heritage Protection Agreements require the Consolidated Entity to conduct Aboriginal heritage surveys prior to conducting exploration that is not low-impact in nature and detail procedures to be followed if an Aboriginal site is identified.

Agreements with Peruvian landowners and community groups

The Company notes that holding a mineral concession in Peru does not grant automatic access to the surface land. Notwithstanding an easement procedure is contemplated in Peruvian law, in practice, mining companies have to negotiate and enter into private agreements with landowners/community groups in order to have access to their land for the purposes of conducting mining activities (exploration, evaluation, development and mining). Multiple landowners/community groups are affected by the Consolidated Entity's proposed mining activities on a majority of the Consolidated Entity's Peruvian concessions. To date, approvals have been sought and obtained for drilling on a programme by programme basis.

Obtaining approvals from landowners/community groups can be a complicated and lengthy process. The Consolidated Entity will have to commit funds to community groups and/or landowners to secure land access agreements to develop its Peruvian projects. There can be no guarantees that such approvals will be obtained, or as to the terms upon which they will be obtained. At this stage it is not possible to quantify the potential financial obligation of the Consolidated Entity in this regard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Related-Party Disclosures

Subsidiaries

Interests in subsidiaries are set out in Note 21.

During the year $1,318,656 (2014: $2,811,122) was loaned to subsidiaries to fund exploration activities and concession fees, and for closure costs of Peru office.

21. Investment in Controlled Entities

	Country of Incorporation	Percentage of Ownership	
		2015	2014
Strike Finance Pty Ltd	Australia	100%	100%
Strike Australian Operations Pty Ltd	Australia	100%	100%
Strike Operations Pty Ltd (“SOPL”)	Australia	100%	100%
Strike Indo Operations Pty Ltd (“SIOPL”)*	Australia	-	100%
Ferrum Holdings Limited	British Anguilla	100%	100%
Strike Resources Peru S.A.C.	Peru	100%	100%
Apurimac Ferrum S.A.	Peru	100%	100%
Ferrum Trading S.A.C	Peru	100%	100%

* Strike Indo Operations Pty Ltd was de-registered on 12 November 2014.

22. Events Occurring after the Reporting Period

On 2 July 2015 the Company announced that a Takeover Response Committee of the Company’s independent directors, being the Chairman, Mr Malcolm Richmond, Ms Samantha Tough and Mr Matthew Hammond had been established to respond to the takeover bid offer made by Bentley Capital Limited as announced on 30 June 2015 (the “Offer”). The Company also announced that following completion of the Offer (irrespective of the outcome of the Offer), Ms Samantha Tough intended to resign from the Company Board to focus on her other non-executive director roles.

In July 2015, Bentley Capital Limited lodged its Bidder’s Statement relating to the Offer with ASIC and dispatched the same to Strike’s shareholders.

In August 2015, the Company lodged its Target’s Statement in response to the Offer.

The Bid closed on 2 September 2015 and a total of 52,553,493 shares representing 36.16% of the Company’s issued capital were acquired by Bentley during the bid. Bentley as a consequence is now the Company’s largest shareholder.

The Takeover Response Committee has incurred a total cost of approximately $300,000 - $350,000 in relation to the Company’s response to the Offer.

There have been no further changes of significance since then.

23. Reconciliation of Profit after Income Tax to Net Cash Inflow from Operating Activities

(a)	2015 $	2014 $
Operating (loss) after tax	(517,864)	(48,761,450)
Consulting fees	-	-
Non cash flows in profit/(loss) from ordinary activities:		
Depreciation - plant & equipment	536	40,116
Gain on loss of control of subsidiary	(144,075)	-
Adjustment for movement in foreign exchange	(141,682)	348,753
Fair value adjustments		
Loan to Cuervo Resources Inc. impairment	-	827,641
Fair value through profit and loss financial assets	-	109,616
Exploration and evaluation impairment	220,611	43,250,245
Non-Current assets held for sale impairment	500,342	-
Loss on sale of fixed assets	-	14,411
Loss on sale of held for sale assets	-	-
Decrease/(increase) in assets:		
Receivables	66,589	299,070
Increase/(decrease) in liabilities:		
Trade creditors and accruals	(1,727,229)	933,382
Provisions	(61,655)	319,755
Net cash outflows from operating activities	(1,804,427)	(2,618,461)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the current or previous year.

24. Earnings/(Loss) per Share

	2015 cents	2014 cents
(a) Basic earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	(0.36)	(33.55)
(b) Diluted earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	(0.36)	(33.55)
(c) Reconciliations of earnings/(Losses) used in calculating earnings/(Loss) per share		
Loss attributable to the ordinary equity holders of the Company used in Calculating basic earnings/(loss) per share:		
From continuing operations	(517,864)	(48,761,450)
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings/(loss) per share	145,334,268	145,334,268

25. Share-Based Payments

The Company has the following options on issue at balance date:

Grant date	Expiry date	Exercise price $	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of year
Consolidated entity - 2015								
24 Nov 11	23 Nov 16	0.36	833,334	-	-	-	833,334	833,334
24 Nov 11	23 Nov 16	0.42	833,333	-	-	-	833,333	833,333
24 Nov 11	23 Nov 16	0.56	833,333	-	-	-	833,333	833,333
5 Apr 12	23 Nov 16	0.36	333,334	-	-	-	333,334	333,334
5 Apr 12	23 Nov 16	0.42	333,333	-	-	-	333,333	333,333
5 Apr 12	23 Nov 16	0.56	333,333	-	-	-	333,333	333,333
18 Jun 13	17 Jun 18	0.30	3,000,000	-	-	-	3,000,000	3,000,000
			6,500,000	-	-	-	6,500,000	6,500,000
Weighted-average exercise price			*0.38*	-	-	-	*0.38*	*0.38*

Grant date	Expiry date	Exercise price $	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of year
Consolidated entity - 2014								
24 Nov 11	23 Nov 16	0.36	833,334	-	-	-	833,334	833,334
24 Nov 11	23 Nov 16	0.42	833,333	-	-	-	833,333	833,333
24 Nov 11	23 Nov 16	0.56	833,333	-	-	-	833,333	833,333
5 Apr 12	23 Nov 16	0.36	333,334	-	-	-	333,334	333,334
5 Apr 12	23 Nov 16	0.42	333,333	-	-	-	333,333	333,333
5 Apr 12	23 Nov 16	0.56	333,333	-	-	-	333,333	333,333
18 Jun 13	17 Jun 18	0.30	3,000,000	-	-	-	3,000,000	3,000,000
			6,500,000	-	-	-	6,500,000	6,500,000
Weighted-average exercise price			*0.38*	-	-	-	*0.38*	*0.38*

No options were exercised during the period.

The weighted-average remaining contractual life of share options outstanding at the end of the period was 1.63 years (2014: 2.63 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Parent Entity Information

The following details information related to the parent entity, Strike Resources Limited, at 30 June 2015 and 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2015 $	2014 $
Current assets	8,278,539	10,231,293
Non-current assets	1,072	1,887
Total assets	8,279,611	10,233,180
Current liabilities	71,698	502,310
Non-current liabilities	-	-
Total liabilities	71,698	502,310
Net assets	8,207,913	9,730,870
Contributed equity	148,439,925	148,439,925
Accumulated losses	(153,465,037)	(151,942,080)
Option reserve	13,233,025	13,233,025
Total equity	8,207,913	9,730,870
(Loss) for the year	(1,522,957)	(4,945,316)
Other comprehensive income/(loss) for the year	-	-
Total comprehensive (loss) for the year	(1,522,957)	(4,945,316)

The parent entity does not have any contingent assets or liabilities.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) The Financial Statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows and accompanying notes as set out on pages 16-40 above, are in accordance with the *Corporations Act 2001*, and:

(i) comply with Accounting Standards and the *Corporations Regulations 2001 and other mandatory professional reporting requirements*;

(ii) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1 confirms that the Financial Statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director (the person who performs the chief executive function) and the Company Secretary (the person who performs the Chief Financial Officer function) as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

William Johnson
Managing Director
25 September 2015

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INDEPENDENT AUDITOR'S REPORT

To the members of Strike Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Strike Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Strike Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Strike Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Strike Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford

Director

Perth, 25 September 2015

LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the financial year (30 June 2015) and currently:

Apurimac Iron Ore Project (Peru) (Strike – 100%)

Name	Area (Ha)	Province	Code	Title	File No
(1) Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
(2) Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
(3) Ferrum 1	965	Andahuaylas	010298304	No 00228-2005-INACC/J Jan 19, 2005	11053798
(4) Ferrum 4	1,000	Andahuaylas/ Aymaraes	010298604	No 00230-2005-INACC/J Jan 19, 2005	11053810
(5) Ferrum 8	900	Andahuaylas	010299004	No 00232-2005-INACC/J Jan 19, 2005	11053827
(6) Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
(7) Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
(8) Ferrum 37	695	Andahuaylas	010621507	RP 1164-2008-INGEMMET/PCD/PM May 12, 2008	11076534
(9) Wanka 01	100	Andahuaylas	010208110	TBA	TBA
(10) Sillaccassa 1	700	Andahuaylas	010212508	RP 5088-2008-INGEMMET/PCD/PM Nov 19, 2008	11084877
(11) Sillaccasa 2	400	Andahuaylas	010212608	RP 3183-2008-INGEMMET/PCD/PM Sept 8, 2008	11081449

Cusco Iron Ore Project (Peru) (Strike – 100%)

Name	Area (Ha)	Province	Code	Title	File No.
(1) Flor de María	907	Chumbivilcas	05006521X01	No 7078-95-RPM Dec 29, 1995	20001742
(2) Delia Esperanza	1,000	Chumbivilcas	05006522X01	No 0686-95-RPM Mar 31, 1995	20001743
(3) El Pacífico II	1,000	Chumbivilcas	05006524X01	No 7886-94/RPM Nov 25, 1994	20001746

Paulsens East Iron-Ore Project (Western Australia) (Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km^2)
Retention Licence RL 47/7	Granted	4/12/14	4/12/19	~381 Ha	~3.81

ANNUAL MINERAL RESOURCES STATEMENT

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at the end of the financial year (30 June 2015) and currently:

Apurimac Iron Ore Project (Peru) (Strike – 100%)

The Apurimac Project has a JORC Code (2012 Edition) compliant Mineral Resource of 269.4 Mt, consisting of:

- a 142.2 Mt Indicated Mineral Resource at 57.8% Fe; and
- a 127.2 Mt Inferred Mineral Resource at 56.7% Fe.

Category	Concession	Density t/m^3	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Total Indicated and Inferred			**269.4**	**57.3**	**9.4**	**2.56**	**0.04**	**0.16**

The information in this JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 11 February 2010: Peruvian Apurimac Iron Ore Project Resource Increased to 269 Million Tonnes) and has subsequently been upgraded to comply with the 2012 JORC Code and disclosed in Strike's ASX Announcement dated 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard.

Cusco Iron Ore Project (Peru) (Strike – 100%)

The Cusco Project has a JORC Code (2004 Edition) compliant Mineral Resource of 104.4 Mt Inferred Mineral Resource at 32.62% Fe.

Category	Concession	Density t/m^3	Mt*	Fe%	SiO_2%	Al_2O_3%	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53

The information in this JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 17 June 2011: Cusco Project – Resource Estimate). It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Compliance

- The Mineral Resources estimates (above) have not changed since reported in last year's Annual Report.
- The Mineral Resources estimates (above) is based on, and fairly represents, information and supporting documentation prepared by a Competent Person (recognised under the JORC Code).
- The Annual Mineral Resources Statement as a whole has been approved by the Competent Person named in the JORC Code Competent Person's Statements section of this Annual Report (at page 46) where further information concerning his qualifications and professional membership is also disclosed.
- Due to the nature, stage and size of the Company's existing operations, Strike believes there would be no efficiencies gained by establishing a separate Mineral Reserves/Resources Committee responsible for reviewing and monitoring the Company's processes for calculating JORC Code compliant Mineral Reserves/Resources. The Board as a whole has responsibility in this regard (with assistance from external advisers as appropriate) including ensuring that appropriate internal controls are applied to such calculations.
- The Company ensures that any Mineral Reserve/Resource calculations are prepared by Competent Persons and where appropriate, reviewed independently and verified (including estimation methodology, sampling, analytical and test data).
- The Company will report any future Mineral Reserves/Resources estimates in accordance with the 2012 JORC Code.

JORC CODE COMPETENT PERSON'S STATEMENTS

JORC Code (2012) Competent Person Statement - Apurimac Project Mineral Resources

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Apurimac Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Mr Hellsten has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

JORC Code (2004) Competent Person Statement – Cusco Project Mineral Resources

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Cusco Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 204 Edition of the JORC Code. Mr Hellsten approves and consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Strike, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Strike and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Strike believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Strike does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

ADDITIONAL ASX INFORMATION
as at 23 October 2015

Corporate Governance Statement

The Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2015.

Pursuant to ASX Listing Rule 4.10.3, the Company's 2015 Corporate Governance Statement (dated on or about 27 October 2015) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: http://strikeresources.com.au/corporate/corporate-governance/

Issued Capital

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	145,334,268	-	145,334,268
$0.36 Options exercisable on or before 23 November 2016	-	1,166,668	1,166,668
$0.42 Options exercisable on or before 23 November 2016	-	1,166,666	1,166,666
$0.56 Options exercisable on or before 23 November 2016	-	1,166,666	1,166,666
$0.30 Options exercisable on or before 17 June 2018	-	3,000,000	3,000,000
TOTAL	**145,334,268**	**6,500,000**	**151,834,268**

Distribution of Fully Paid Ordinary Shares

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	379	163,241	0.112
1,001	-	5,000	688	2,058,117	1.416
5,001	-	10,000	293	2,377,536	1.636
10,001	-	100,000	387	12,516,940	8.613
100,001	-	and over	77	128,218,434	88.223
Total			**1,824**	**145,334,268**	**100%**

Unmarketable Parcels

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	10,203	1,365	4,649,190	3.20%
10,204	-	over	459	140,685,078	96.80%
TOTAL			**1,824**	**145,334,268**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 10,203 shares or less (being a value of $500 or less in total), based upon the Company's closing share price of $0.049 on 22 October 2015.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- Each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative;
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote; and
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

ADDITIONAL ASX INFORMATION
as at 23 October 2015

Top Twenty Ordinary, Fully Paid Shareholders

Rank	Holder name	Shares Held	% Issued Capital
1	Bentley Capital Limited	52,553,493	36.160
2	HSBC Custody Nominees (Australia) Limited	26,214,841	18.038
3	Database Systems Ltd	12,537,090	8.626
4	Orion Equities Limited	10,000,000	6.881
5	Ausinca Peru SA	1,718,973	1.183
6	ACN 139 886 025 Pty Ltd	1,536,471	1.057
7	JP Morgan Nominees Australia Limited	1,340,402	0.922
8	National Nominees Limited	1,267,251	0.872
9	Mr Ianaki Semerdziev	1,149,000	0.791
10	Mr Chi Mau Phuong	1,088,657	0.749
11	D&C Pesca S.A.C.	1,081,027	0.744
12	Mr Gordon Anthony	800,000	0.550
13	Classic Capital Pty Ltd	750,000	0.516
14	Empire Holdings WA Pty Ltd	700,000	0.482
15	Citicorp Nominees Pty Limited	648,371	0.446
16	Mr Colin Vaughan & Mrs Robin Vaughan	634,099	0.436
17	Mr John Fazzalori	579,479	0.399
18	Tadmaro Pty Limited	559,817	0.385
19	Mr Farooq Khan	530,010	0.365
20	Mrs Liliana Teofilova	497,000	0.342
	Total	**116,185,981**	**79.944%**

Substantial Shareholders

Substantial Shareholders	Registered Shareholder	Shares Held	Voting Power
Bentley Capital Limited[4]	Bentley Capital Limited	52,553,493	36.16%
ABU Holding International Limited and Associates[5]	HSBC Custody Nominees (Australia) Limited	25,825,000	17.8%
Database Systems Ltd and Ambreen Chaudhri[6]	Database Systems Ltd	12,537,090	8.63%
Orion Equities Limited[7]	Orion Equities Limited	10,000,000	6.88%
Queste Communications Ltd[8]	Orion Equities Limited	10,000,000	6.88%

4 Refer Bentley's Notice of Change in Interests of Substantial Holder dated 4 September 2015

5 Refer Notice of Initial Substantial Holder dated 21 December 2012

6 Based on Notice of Change in Interests of Substantial Holder dated 4 June 2013

7 Refer Orion's Notice of Change in Interests of Substantial Holder dated 4 September 2015

8 Refer Queste's Notice of Change in Interests of Substantial Holder dated 4 September 2015; Orion is the registered holder of Strike Shares and Queste is taken under section 608(3)(b) of the Corporations Act to have a Relevant Interest in securities in which Orion has a relevant interest by reason of having control of Orion

ASX Code: SRK

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