

# **STRIKE**

RESOURCES LIMITED

A.C.N. 088 488 724

## **PROSPECTUS**

For a non-renounceable rights issue of 1 Option for every 2 Shares held by Shareholders as at 5.00pm WST on 29 March 2006 at an issue price of 1 cent per Option to raise up to approximately \$237,348 gross.

The Options offered will expire on 30 June 2008 and are exercisable at 20 cents each into Shares.

The Company will apply for the Options to be quoted.

### **IMPORTANT NOTICE**

This Prospectus is a short form prospectus issued with Section 712 of the Corporations Act 2001. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document the information of which is deemed to be incorporated in this Prospectus.

Options offered by this Prospectus should be considered speculative.

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## CORPORATE DIRECTORY

### BOARD

John F. Stephenson	Chairman
H. Shanker Madan	Managing Director
Farooq Khan	Director
Victor P H Ho	Director

### COMPANY SECRETARY

Victor P H Ho

### SHARE REGISTRY

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands, Western Australia 6009  
Telephone: (08) 9389 8033  
Facsimile: (08) 9389 7871  
Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)  
Internet: [www.asrshareholders.com](http://www.asrshareholders.com)

### PRINCIPAL & REGISTERED OFFICE

Level 14  
The Forrest Centre  
221 St Georges Terrace  
Perth, Western Australia 6000  
Telephone: (08) 9214 9700  
Facsimile: (08) 9322 1515  
Email: [info@strikeresources.com.au](mailto:info@strikeresources.com.au)  
Internet: [www.strikeresources.com.au](http://www.strikeresources.com.au)

### STOCK EXCHANGE

Australian Stock Exchange  
Perth, Western Australia

### ASX CODE

SRK

### AUDITORS

Stanton Partners  
1 Havelock Street  
West Perth, Western Australia 6005

## ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

This Prospectus is dated 20 March 2006.

## IMPORTANT NOTICE

This Prospectus is dated 20 March 2006 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date.

The ASIC takes no responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Options offered by this Prospectus to be listed for Quotation.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Options. There are risks associated with an investment in Strike Resources and the Options offered under this Prospectus must be regarded as a speculative investment. The Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Options.

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 11 of this Prospectus.

### Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in a document that has been previously lodged with the ASIC.

This Prospectus refers to the disclosure document lodged by the Company with the ASIC on 23 December 2005 (the **December 2005 Prospectus**) for the offer of up to 10,000,000 Shares at an issue price of 20 cents each to raise up to \$2,000,000 and to the December 2005 Half Year Report lodged with ASX on 16 March 2006.

In referring to the December 2005 Prospectus and to the December 2005 Half Year Report, the Company:

- (1) identifies the December 2005 Prospectus and the December 2005 Half Year Report as being relevant to the offer of Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
  - (a) the rights and liabilities attaching to:
    - (i) the Options; and
    - (ii) the underlying securities;

- (b) the capacity of the Company to issue the underlying securities; and

- (c) the assets and liabilities, financial position and performance, profits and losses and prospects of Strike Resources;

- (2) refers investors and their professional advisers to Section 3 of this Prospectus which summarises the information in the December 2005 Prospectus and the December 2005 Half Year Report deemed to be incorporated in this Prospectus;

- (3) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the December 2005 Prospectus and the December 2005 Half Year Report by contacting the Company at its registered office during normal business hours during the Offer Period; and

- (4) advises that the information in the December 2005 Prospectus and the December 2005 Half Year Report will be primarily of interest to investors and their professional advisers or analysts.

### Electronic Prospectus

A copy of this Prospectus can be downloaded from the website at [www.strikeresources.com.au](http://www.strikeresources.com.au). Any person accessing the electronic version of the Prospectus within Australia or anywhere outside of Australia should note that this Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. It is the responsibility of any investor outside Australia to ensure compliance with all laws of any country relevant to their application, and any such applicant should consult their professional advisers as to whether any government or other consents are required or whether any formalities need to be observed to enable them to apply for and be allotted any securities.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of the Prospectus or it accompanies in electronic form the complete and unaltered version of this Prospectus. Any person may obtain a copy of this Prospectus free of charge by contacting the Company.

**SECTION 1. TIMETABLE AND IMPORTANT DATES**

<b>EVENT</b>	<b>DATE</b>
Announcement of Rights Issue (Appendix 3B)	20 March 2006
Prospectus lodged with ASIC and ASX	20 March 2006
Notice sent to Shareholders containing information required by Appendix 3B	21 March 2006
Strike Resources shares commence trading ex entitlement	23 March 2006
Record Date for determining entitlements	29 March 2006
Despatch Prospectus and announcement of completion of Dispatch	30 March 2006
Closing Date	18 April 2006
Deferred settlement trading of Options commences	19 April 2006
Date of allotment and issue of Options	21 April 2006
Holder Statements dispatched	26 April 2006
Deferred settlement trading ends	26 April 2006

**NOTE:**

Certain items are indicative dates only, which may change. The Company reserves the right to vary dates by either shortening or extending such dates, subject to the Corporations Act and ASX Listing Rules. Certain dates are also subject to the ASX Listing Rules; to the extent that any of the above dates are inconsistent with the Listing Rules, the dates prescribed under the Listing Rules shall be applicable

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## SECTION 2. DETAILS OF THE OFFER

### 2.1 The Rights Issue

The Company is making a pro-rata non-renounceable offer of Options on the basis of one (1) Option for every two (2) Shares held by existing Shareholders on the register as at the Record Date (5.00pm WST on 29 March 2006) at an issue price of 1 cent each to raise approximately \$237,348.00 (before costs of the Issue).

Each Option provides the right to subscribe for one Share at a cost of 20 cents per Share, on or before 5.00pm WST on 30 June 2008.

The Company currently has 47,469,679 Shares on issue and the following Hume Options on issue:

- (a) 1,833,333 options, each to acquire one Share in the Company at an exercise price of 20 cents with each such option expiring on 9 February 2011; and
- (b) 1,666,667 options, each to acquire one Share in the Company at an exercise price of 30 cents with each such option expiring on 9 February 2011.

If none of the existing Hume Options are exercised prior to the Record Date and if the Rights Issue is fully subscribed, the Rights Issue will result in the issue of up to approximately 23,734,839 Options (subject to rounding of fractional entitlements) and will raise up to approximately \$237,348. If all existing Hume Options were exercised prior to the Record Date, this would result in the issue of up to an additional 1,750,000 Options and would raise up to an additional \$17,500.

The Rights Issue is non-renounceable and therefore Shareholders cannot sell their right to take up their Entitlement.

Shareholders are able to accept the whole or part of their Entitlement pursuant to this Prospectus.

### 2.2 Purpose of the Rights Issue

The funds raised by the Offer of up to approximately \$237,348 <sup>(4)</sup> will be applied to working capital and also to meet issue expenses of approximately \$15,000.

If no funds are raised as a result of this Offer, the Company has sufficient working capital to meet its obligations as set out in the December 2005 Prospectus

### 2.3 Entitlement

The number of Options to which each Shareholder is entitled (**Entitlement**) is shown on the Acceptance Form accompanying this Prospectus.

Persons who, on the Record Date, are registered as the holders of Shares, or who are the transferees under share transfers lodged with the Company prior to the Record Date, are offered one (1) Option for every two (2) Shares held. Fractional entitlements to Options of less than 0.5 will be rounded down and any fractions of 0.5 or above will be rounded up to the nearest whole Share.

Shareholders may accept their Entitlement in full or part by returning a completed Acceptance Form to the Company Share Registry by the Closing Date (5.00pm WST, 18 April 2006).

### 2.4 Minimum Subscription

There is no minimum subscription.

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<sup>1</sup> Up to \$254,848 if all of the Hume Options are exercised prior to the Record Date.

## 2.5 Oversubscription

Oversubscriptions will not be accepted.

## 2.6 Issue Price

The issue price is 1 cent for each Option payable in full in Australian currency on the acceptance of the Rights Issue as follows:

- (a) Cheque drawn on and payable at any Australian bank;
- (b) Money Order; or
- (c) Bank draft drawn on and payable at any Australian bank.

## 2.7 Acceptance

This Offer may be accepted in whole or in part. Acceptance and payment in full of 1 cent per Option must be received before the Closing Date. Instructions for completion and lodgment of acceptances are set out on the back of the Acceptance Form.

## 2.8 Action Required

If you wish to take up **all** of your Entitlement, complete the enclosed Acceptance Form in accordance with the instructions set out in the form and lodge the form together with your payment for the amount shown on the form so that it reaches the Company's share registry:

Advanced Share Registry Services  
PO Box 1156                                  or        110 Stirling Highway  
Nedlands WA 6909                              Nedlands WA 6009

by no later than the Closing Date (5.00pm WST on 18 April 2006).

Cheques and drafts should be made payable to "**Strike Resources Limited – Offer Account**" and crossed "Not Negotiable".

If you wish to take up **part** of your Entitlement, complete the enclosed Acceptance Form in respect of the Options you wish to take up in accordance with the instructions set out in the form and lodge the form together with your payment for the relevant amount (being the number of Options you wish to take up multiplied by 1 cent per Option) so that it reaches the Company's share registry by no later than the Closing Date (5.00pm WST on 18 April 2006).

If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement to the Options will lapse.

## 2.9 Underwriting

This Offer is not underwritten.

## 2.10 Shortfall

The Directors reserve the right to grant or not to grant any Options not taken up by the Shareholders pursuant to this Prospectus at their absolute discretion within 3 months of the Closing Date, on the same terms as are being offered to Shareholders pursuant to this Prospectus.

The Directors also reserve the right to place with parties selected by them any Options not taken up by the Shareholders.

## 2.11 Closing Date

The Closing Date for the Rights Issue is 5.00pm WST on 18 April 2006.

## 2.12 Offer Period

The Prospectus will be dispatched to Shareholders on 30 March 2006. The Rights Issue closes on 18 April 2006.

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**2.13 Allotment**

It is anticipated that the Options will be allotted and issued by 21 April 2006.

Statements of holding for the Options will be mailed by 26 April 2006.

No Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

**2.14 Stock Exchange Quotation**

Application for official quotation of the Options by the ASX will be made by the Company within seven (7) days of the date of this Prospectus. Application for official quotation of Shares allotted and issued as a result of the exercise of Options issued under this Prospectus will be made within three (3) business days of allotment and issue.

**2.15 Overseas Shareholders**

Shareholders resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept their entitlements.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and person who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Return of a duly completed Application Form will be taken by the Company as to constitute a representation that there has been no breach of such laws.

**2.16 Enquiries**

If you have any questions concerning your Entitlement, please contact Advanced Share Registry Services on (08) 9389 8033 or fax (08) 9389 7871 or by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au), or contact your professional advisor.

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## SECTION 3. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

### 3.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is the December 2005 Prospectus as summarised below in sub-section 3.2 and the December 2005 Half Year Report as summarised below in sub-section 3.3 and will primarily be of interest to investors and their professional advisers or analysts.

The Company informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the December 2005 Prospectus and the December 2005 Half Year Report by contacting the Company at its registered office during normal business hours during the Offer Period. The December 2005 Prospectus will also be available by searching ASIC's records in relation to Strike Resources, or by visiting the Company's website at [www.strikeresources.com.au](http://www.strikeresources.com.au).

### 3.2 Summary of Information Deemed to be Incorporated – December 2005 Prospectus

Set out below is a summary of the information contained in the December 2005 Prospectus that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making an informed investment decision in relation to the Options, they should obtain a copy of the December 2005 Prospectus.

*The Sections referred to below are a reference to sections in the December 2005 Prospectus.*

#### **Section 1 – Corporate Overview**

Section 1 contains information relating to the Company's background, objectives, capital structure and intended use of funds raised under the Prospectus.

#### **Section 4 – Details of the Offer**

Section 4 contains general information pertaining to the offer of shares under the December 2005 Prospectus.

#### **Section 6 – Projects Overview**

This section contains a summary of the projects and tenements held by Strike Resources. It details the objectives and strategies of the Company and summarises the intended exploration expenditure in regard to each of the projects.

#### **Section 7 – About the Company**

This section summarises the history of the Company.

#### **Section 8 – Shareholder Approvals**

This section summarises the approvals obtained from the shareholders of the Company at an AGM on 22 December 2005.



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**Section 9 – Board of Directors**

Section 9 contains information relating to each of the four directors of the Company and the Company Secretary. This section also details directors' interests in securities (refer to section 5.1 below for updated details), directors' remuneration, officers' indemnity and insurance, other interests of directors and the Company's practices in relation to the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

**Section 10 – Independent Geological Report**

Section 10 consists of the report prepared by Al Maynard & Associates. The report describes in detail the geological setting and historical mining and exploration on the mining tenements of Strike Resources. The report also sets out details of proposed exploration programs on the mining tenements.

**Section 11 – Independent Exploration Titles Report**

Section 11 consists of a report prepared by Hetherington Exploration & Mining Title Services Pty Ltd, on the mining tenements acquired, or to be acquired by Strike Resources. The report details the titleholders of the mining tenements and the agreements entered into by the Company with various parties.

**Section 12 – Utilisation of Funds**

This section contains information on the intended use by the Company of funds raised under the December 2005 Prospectus.

**Section 13 – Material Contracts**

This section contains information regarding the material contracts to which the Company is a party (refer to section 5.1 below for updated details).

**Section 14 – Risk Factors**

Section 14 notes that an investment in Strike Resources should be considered speculative and has risks reasonably expected of an investment in a business of its type. It details a number of factors that may impact on the success and future profitability of Strike Resources including but not limited to commodity price volatility and exchange rate risks, exploration success, operating risks, resources estimates, political risks, environmental risks, title risks and native title, share market conditions and general investment risks.

**Section 15 – Rights Attached to Securities**

Section 15.1 sets out information concerning the rights attaching to the Company's Shares and section 15.2 sets out information concerning the rights attaching to the Options offered under this Prospectus. Section 15.3 sets out information concerning the rights attaching to the Hume Options.

**Section 16 – Additional Information**

Section 16 sets out additional information required to be disclosed in the Prospectus including:

- (a) Interests of persons named in the December 2005 Prospectus;
- (b) Consents of persons named in the December 2005 Prospectus;
- (c) Taxation; and
- (d) Acknowledgement and Privacy.

**Section 17 – Glossary**

This section contains definitions of some of the terms used in the December 2005 Prospectus and in this Prospectus.

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**Section 18 – Directors Responsibility Statement and Consent**

This section includes a statement from the directors relating to their consent to the lodgment of the December 2005 Prospectus and their belief there are no misleading or deceptive statements made in the December 2005 Prospectus and the statements made were made by persons competent to make such statements and who consented to their statements being included in the December 2005 Prospectus.

**3.3 Summary of Information Deemed to be Incorporated – December 2005 Half Year Report**

Set out below is a summary of the information contained in the December 2005 Half Year Report dated 15 March 2006 and lodged with ASX that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making an informed investment decision in relation to the Options, they should obtain a copy of the December 2005 Half Year Report:

The December 2005 Half Year Report contains:

- (1) the Director's Report (which includes the Auditor's Independence Declaration) of Strike Resources and controlled entities (the Consolidated Entity) for the financial half year ended 31 December 2005,
- (2) the audit reviewed financial statements of the Consolidated Entity for the half year ended 31 December 2005, including the balance sheet of the Consolidated Entity as at 31 December 2005, the income statement, statement of changes in equity and the cash flow statement of the Consolidated Entity for the half year ended 31 December 2005;
- (3) the Auditor's Independent Review Report;
- (4) a Tenement Schedule (details of the Australian tenements in which the Company has secured interests in), and
- (5) Information on Securities as at 28 February 2006.

## SECTION 4. COMPANY OVERVIEW

### 4.1 Reference to December 2005 Prospectus and December 2005 Half Year Report

An overview of the Company and recent transactions undertaken by the Company is set out in the December 2005 Prospectus that was lodged with ASIC on 23 December 2005 and in the December 2005 Half Year Report dated 15 March 2006 and lodged with ASX. Persons considering subscribing for Options under this Prospectus should refer to Section 3 of this Prospectus for a summary of the information contained in the December 2005 Prospectus and in the December 2005 Half Year Report deemed to be incorporated in this Prospectus and may wish to obtain a copy of such documents from the Company or from its website, [www.strikeresources.com.au](http://www.strikeresources.com.au).

### 4.2 1 for 3 Share Conversion

On 3 January 2006, the Company completed a 1 for 3 share conversion (such that every 3 shares held in the Company was converted into 1 share).

### 4.3 December 2005 Prospectus Shares Issued

The December 2005 Prospectus closed on 3 February 2006 with applications received in respect of full subscriptions of 7,500,000 shares, raising gross proceeds of \$1,500,000.

7,500,000 fully paid ordinary shares were allotted to applicants under the December 2005 Prospectus on 9 February 2006 and obtained official Quotation on ASX on 23 February 2006.

The Company currently has the following securities on issue:

	Quoted	Subject to Escrow	Total
Fully paid ordinary shares	45,686,345	1,783,334 <sup>(2)</sup>	47,469,679
Options, each to acquire one fully paid ordinary share at an exercise price of 20 cents with each such option expiring 5 years from the date of its issue (9 February 2011) (“\$0.20 Options”)	-	1,833,333 <sup>(3)</sup>	1,833,333
Options, each to acquire one fully paid ordinary share at an exercise price of 30 cents with each such option expiring 5 years from the date of its issue (9 February 2011) (“\$0.30 Options”)	-	1,666,667 <sup>(3)</sup>	1,666,667

### 4.4 Completion of Hume Agreement

On 9 February 2006 the Company completed the acquisition of a 75% interest in tenements located in the Northern Territory and in Western Australia from Hume Mining NL (**Hume**).

The Company has issued 1,666,667 fully paid ordinary shares to Hume; such shares are subject to escrow for 12 months (to 9 February 2007).

<sup>2</sup> Comprises:

- (i) 116,667 shares issued to Uranium Oil and Gas Limited on 23 December 2005 pursuant to settlement of the UOG Agreement as defined in the December 2005 Prospectus; and
- (ii) 1,666,667 shares issued to Hume on 9 February 2006 pursuant to settlement of the Hume Agreement as defined in the December 2005 Prospectus.

<sup>3</sup> Issued to Hume on 9 February 2006 pursuant to subscription under the Hume Agreement.

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Pursuant to the Hume Agreement, Hume has also subscribed for the following options in consideration for \$10,000 cash:

- (1) 1,833,333 options (each exercisable at 20 cents on or before the date being 5 years after the date of grant of such options); and
- (2) 1,666,667 options (each exercisable at 30 cents on or before the date being 5 years after the date of grant of such options),

(together, the **Hume Options**).

The Hume Options are also subject to escrow for 12 months (to 9 February 2007).

The terms and conditions of the Hume Options are outlined in Section 15.3 of the December 2005 Prospectus.

#### 4.5 ASX Re-admission

Strike Resources was re-admitted to the quotation on ASX on 23 February 2006.

Holding locks have been applied in relation to all escrowed securities and the Company's share registrar has undertaken not to remove holding locks without the consent of ASX.

#### 4.6 Kalimantan Coal Agreement <sup>(4)</sup>

By a cooperation agreement dated 24 November 2005 between Fast Scout Operations Pty Limited (**FSO**) (a wholly owned subsidiary of the Company), PT Indo Batubara (**Indo Coal**) (an Indonesian incorporated Company which represent FSO's interests in Indonesia), PT Kaltim Jaya Coal (**KJC**) and Pt Kaltim Jaya Mineral (**KJM**), KJC and KJM have offered to assign to Indo Coal the legal right to exclusively conduct general survey activities, explore for, exploit, mine and sell all coal in the concession areas covered by KP1, KP2 and KP3 (assuming that KP3 is granted by the relevant Indonesian authorities) respectively, and FSO has agreed, subject to the satisfaction of the conditions precedent in the agreement, to procure that Indo Coal accepts such assignment; as described in 13.4 of the Company's prospectus dated 23 December 2005 (the **Kalimantan Coal Agreement**) (**Kalimantan Coal Project**).

##### Coal Concession KP 2

The Company has conducted 1676 metres of preliminary core and open-hole drilling on this coastal concession as part of its on going due diligence.

This drilling has indicated the presence of six coal seams of between one and five metres thickness. The majority of this drilling has taken place in the north-east corner of the concession. These seams have been encountered in the Balikpapan Formation that extends for more than 10 kilometres within the concession. Analyses of these seams indicate thermal coal comparable in quality to seams 1 to 3 disclosed in the Independent Geological Report at page 49 of the December 2005 Prospectus.

The Company is encouraged by these preliminary results but notes that further due diligence drilling is required to confirm the strike extension of the seams along the 10 kilometre coal-bearing formation within the concession.

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<sup>4</sup> The information in this section that relates to exploration results has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has in excess of 5 years experience which is relevant to the style of mineralisation under consideration and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this section of the matters based on his information in the form and context in which it appears.

The Company also notes that it has not yet conducted drilling on seams 4 and 5 of higher quality thermal coal located in the Pulau Balang Formation within the concession (as disclosed in the Independent Geological Report at page 49 of the December 2005 Prospectus). As at the date of this Prospectus, the Company had not commenced drilling in this formation due to a delay in obtaining consent for access from land owners.

The Company has secured an extension of time to 15 July 2006 in order to complete its due diligence on KP 2. This will include further drilling in both the Balikpapan and Pulau Balang Formations together with engineering and marketing studies.

**Coal Concession KP 1**

Based upon preliminary drilling and other due diligence, the Company advises that it will not be proceeding with this inland concession.

**Amendments to Kalimantan Coal Agreement**

The Company has agreed with the vendor of KP 2 to revise the royalty and payment schedule for the acquisition of the mining rights to this concession as follows:

- (1) The gross production royalty of US\$1.50/tonne payable to the vendor has been replaced with a 20% after tax net profits royalty.

The Company believes that this new arrangement provides a more beneficial basis for underpinning the project (if it proceeds) as it replaces an overriding royalty on gross revenues (payment of which was not dependent on the profitability of the project) with a royalty directly linked to the profitability of the project.

- (2) FSO is to make an additional payment of US\$75,000 to the vendors (KJC and KJM) by 22 March 2006 but has secured a US\$73,000 reduction to Payment 1 and an alteration to the schedule of further payments in relation to the relevant KP (if satisfactory due diligence is declared) as follows;

Milestones	Amount
<b>Payment 1:</b> Upon execution of a deed of assignment in relation to the relevant KP, such date not being prior 15 July 2006 in relation to KP2	US\$60,000
<b>Payment 2:</b> Upon the grant of an Exploration Right in relation to the relevant KP, but not prior to three months after Payment 1	US\$133,000
<b>Payment 3:</b> Latter of nine months after Payment 1, and/or three months after the granting of the Exploitation Right in relation to the relevant KP	US\$67,000
<b>Payment 4:</b> Latter of 12 months after Payment 1, and three months after commencement of Mining Activities under the relevant KP	US\$66,000
<b>Total (One KP)</b>	US\$326,000
<b>Total (Two KPs)</b>	US\$652,000

- (3) Subject to completion of technical, financial, operational and legal due diligence into the KPs, the KP Holders, and any other matter considered relevant by FSO and/or Indo Coal and KP2 having been upgraded to an Exploitation Right, FSO shall procure that production commences within 24 months as of 1 January 2006. If for any reason production does not commence within 24 months of 1 January 2006, then FSO may request consent for an extension for the period of commencement of production from the relevant KP Holder, such consent not to be unreasonably withheld.

**Coal Concession KP 3**

The Company confirms that this concession has not yet been granted and accordingly no due diligence work has been conducted.

## SECTION 5. EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

### 5.1 Effect of the Rights Issue on the Company

Other than as stated in this Prospectus and the December 2005 Half Year Report, the Company is not aware of any material matter or circumstance that would impact on the contents of the December 2005 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisers making an informed assessment of relevant matters.

Under the Offer, up to approximately 23,734,839 <sup>(5)</sup> Options are available for issue and will be issued if the Offer is fully subscribed (either by Shareholders accepting the offer under this Prospectus or pursuant to the Directors' discretion to place any shortfall referred to in Section 2.10 of this Prospectus).

Upon completion of the Rights Issue, the issued capital of the Company will comprise:

	Quoted	Subject to Escrow	Total
Fully paid ordinary shares	45,686,345	1,783,334 <sup>(6)</sup>	47,469,679
Options, each to acquire one fully paid ordinary share at an exercise price of 20 cents with each such option expiring 5 years from the date of its issue (9 February 2011) (“\$0.20 Options”)	-	1,833,333 <sup>(7)</sup>	1,833,333
Options, each to acquire one fully paid ordinary share at an exercise price of 30 cents with each such option expiring 5 years from the date of its issue (9 February 2011) (“\$0.30 Options”)	-	1,666,667 <sup>(7)</sup>	1,666,667
Options issued under this Prospectus <sup>(8)</sup>	Approximately 23,734,839	-	Approximately 23,734,839

After expenses of the Offer of approximately \$15,000, the proceeds from the issue of Options will be approximately \$222,348. These funds will be applied to the general working capital requirements of the Company.

<sup>5</sup> If none of the existing Hume Options are exercised prior to the Record Date. If all existing Hume Options were exercised prior to the Record Date, this would result in the issue of up to an additional 1,750,000 Options.

<sup>6</sup> Refer footnote 2.

<sup>7</sup> Refer footnote 3.

<sup>8</sup> Refer footnote 5.

## 5.2 Pro-Forma Balance Sheet

The following is a Pro-Forma Balance Sheet of the Consolidated Entity based on funds actually raised under the December 2005 Prospectus and on this Prospectus closing fully subscribed:

		Audit Reviewed 31/12/2005	Unaudited 28/2/2006	Pro-Forma
	Note	\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash assets	2	707,596	1,787,997	1,907,605
Receivables		19,314	12,849	12,849
<b>TOTAL CURRENT ASSETS</b>		<u>726,910</u>	<u>1,800,846</u>	<u>1,920,454</u>
<b>NON CURRENT ASSETS</b>				
Receivables		500	1,000	1,000
Property, plant and equipment		40,731	40,731	40,731
Other financial assets	3	475,287	493,878	493,878
Investments accounted for using equity method	4	-	-	-
Internet technologies		-	-	-
Prepaid classification works		-	-	-
Other development works		-	-	-
Intangibles		-	-	-
Exploration, Evaluation And Development Expenditure	5	78,712	413,513	516,253
<b>TOTAL NON CURRENT ASSETS</b>		<u>595,230</u>	<u>949,122</u>	<u>1,051,862</u>
<b>TOTAL ASSETS</b>		<u>1,322,140</u>	<u>2,749,968</u>	<u>2,972,316</u>
<b>CURRENT LIABILITIES</b>				
Payables	6	320,003	102,903	102,903
Provisions		16,849	16,849	16,849
<b>TOTAL CURRENT LIABILITIES</b>		<u>336,852</u>	<u>119,752</u>	<u>119,752</u>
<b>TOTAL LIABILITIES</b>		<u>336,852</u>	<u>119,752</u>	<u>119,752</u>
<b>NET ASSETS</b>		<u>985,288</u>	<u>2,630,216</u>	<u>2,852,564</u>
<b>EQUITY</b>				
Contributed equity	7	18,023,488	19,781,310	19,781,310
Reserve - Options	8	-	10,000	232,348
Foreign currency reserves		245	245	245
Accumulated losses		(17,038,445)	(17,161,339)	(17,161,339)
<b>TOTAL EQUITY</b>		<u>985,288</u>	<u>2,630,216</u>	<u>2,852,564</u>

The Pro-Forma Balance Sheet is to be read in conjunction with the following notes and comments.

**1 Assumed Transactions**

The pro-forma position incorporates the assumed financial effects of the following transactions:

(a)	Options issue under this Prospectus	23,734,839 Options	\$222,348	Gross proceeds from issue of approximately \$237,348 <sup>(9)</sup> less expenses of the Issue of \$15,000
(b)	Payments under Kalimantan Coal Agreement	N/A	\$102,740	The Kalimantan Coal Agreement is described in Section 13.4 of the December 2005 Prospectus; The cost recognised is based on the Company effecting an additional initial payment of US\$75,000 (to extend the due diligence period on KP2) as described in Section 4.6 of this Prospectus; the exchange rate is assumed to be A\$1 = US\$0.73; the value is posted to Exploration, Evaluation and Development Expenditure

The Pro-Forma Balance Sheet does not account for the following contingent transactions (which are subject to completion of satisfactory due diligence by the Company) the effects of which are outlined below:

Contingent Transactions	No. Securities	Total Value	Comments
(a) Additional payments under Kalimantan Coal Agreement	N/A	\$446,575	The Kalimantan Coal Agreement is described in Section 13.4 of the December 2005 Prospectus; The contingent cost is the aggregate subsequent payments of US\$326,000 (in respect of only one of KP 1 or KP3); the exchange rate is assumed to be A\$1 = US\$0.73; the value would be posted to Exploration, Evaluation and Development Expenditure
(b) Fees payable to Sinarco for introduction of the Kalimantan Coal Project	-	\$150,000	Cash component of introduction fee payable to Sinarco; refer to Section 13.6 of the December 2005 Prospectus; the value would be expensed
(c) Issue to Sinarco for introduction of the Kalimantan Coal Project	500,000 Shares	\$115,000	Value based on SRK's last traded price on 17 March 2006 of 23 cents per Share; the value would be expensed

**2 Cash**

	<b>Pro-Forma \$</b>
Cash assets as at 28 February 2006 (unaudited)	1,787,997
Adjustments arising in the preparation of the pro-forma cash balance are summarised as follows:	
Net proceeds from this Prospectus	222,348
Acquisition costs under Kalimantan Coal Agreement	(102,740)
<b>Pro-forma cash assets</b>	<b>1,907,605</b>

<sup>9</sup> Refer footnote 1.



### 3 Other Financial Assets

	<b>Consolidated</b>
	<b>28 February 2006</b>
	<b>\$</b>
Investments comprise:	
Shares and options in listed corporations - at cost	575,182
Less: Provision for diminution	(81,304)
	<u><b>493,878</b></u>
Market value of shares in listed companies as at 28 February 2006:	<u><b>493,878</b></u>

Shares and options in listed corporations comprise:

Company	No Shares	%	28-Feb-06	
			Last Bid Price	Market Value
Orion Equities Limited (OEQ)	505,026	2.83%	\$0.675	\$340,893
Queste Communications Limited (QUE)	826,950	2.91%	\$0.185	\$152,985
<b>Total</b>				<u><u><b>\$493,878</b></u></u>

### 4 Investments Accounted For Using Equity Method

Investments accounted for using equity method comprise investments in ASX listed (but suspended) securities:

Company	No Shares	%	Last Bid Price	28-Feb-06	Carrying
				Market Value	Value
				\$	\$
Altera Capital Limited (AEA)	20,002,860	32.3%	suspended	N/A	-
Sofcom Limited (SOF)	12,420,439	27.8%	suspended	N/A	-

The Company is the largest shareholder in AEA and SOF both of which are ASX listed companies, currently suspended awaiting a potential recapitalisation and re-admission to ASX. The Company is in discussions with a number of parties regarding a sale of its interest in these companies. No sale agreement has been concluded nor is any such agreement assured.

### 5 Exploration, Evaluation and Development Expenditure

	<b>Pro-Forma</b>
	<b>\$</b>
Exploration, Evaluation and Development Expenditure as at 31 December 2005 (audit reviewed)	78,712
Other Exploration, Evaluation and Development Expenditure	1,468
Issue under Hume Agreement / Acquisition costs under Hume Agreement	<u>333,333</u>
Exploration, Evaluation and Development Expenditure as at 28 February 2006 (unaudited)	413,513
Adjustments arising in the preparation of the pro-forma	
Exploration, Evaluation and Development Expenditure are summarised as follows:	
Payments under Kalimantan Coal Agreement	<u>102,740</u>
<b>Pro-forma Exploration, Evaluation and Development Expenditure</b>	<u><u>516,253</u></u>

### 6 Payables

- 11/01/2006 \$146,035 was paid to Data Base Systems (**DBS**) to discharge the Company's cash obligations owed to DBS under the termination and settlement of a portal classification agreement with DBS (which was approved by shareholders on 22 July 2005).
- 12/01/2006 \$101,641 was paid to Sofcom Limited (**SOF**) to discharge the balance of Company's obligations owed to SOF in relation to the Company's share of costs incurred in relation to Scarborough Equities Limited during financial year ended 30 June 2005.

**7 Contributed Equity**

	Issue Price (cents)	No. Shares	Pro-Forma \$
<b>As at 31 December 2005</b> (Pre Share Conversion)		114,909,095	18,023,488
<b>Post Share Conversion (3 January 2006)</b>		38,303,032	18,023,488
Issue of Shares under December 2005 Prospectus	20	7,500,000	1,424,489
Issue of Shares under Hume Agreement / Acquisition costs under Hume Agreement	20	1,666,667	333,333
<b>Sub-total as at 28 February 2006</b>		47,469,699	19,781,310
<b>Total Pro-Forma Contributed Equity</b>		47,469,699	19,781,310

**8 Reserve - Options**

	Issue Price (cents)	No. Options	Pro-Forma \$
<b>As at 31 December 2005</b>		-	-
Consideration received from Hume in relation to the issue of the Hume Options	\$10,000 in aggregate	Refer Hume Options	10,000
<b>Sub-total as at 28 February 2006</b>			10,000
Issue of Options under Prospectus	1	23,734,839	222,348
<b>Total Pro-Forma Option Reserve</b>			232,348

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## SECTION 6. RIGHTS ATTACHING TO OPTIONS AND SHARES

### 6.1 Rights Attaching to Options

The options to be issued pursuant to the Prospectus Option Offer will be issued on the following terms and conditions:

- 1. Entitlement**  
Each option ("Option") shall entitle the holder to subscribe (in cash) for one (1) Share in the capital of the Company.
- 2. Option Period**  
Each Option will expire on 30 June 2008 (such date being referred to as the "Option Expiry Date"). Subject to Clause 6 hereof, each Option may be exercised at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- 3. Ranking of Share Allotted on Exercise of Option**  
Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with the existing Shares in the capital of the Company on issue at the date of allotment.
- 4. Notification to Option Holders**  
A registered owner of an Option ("Option Holder") will be entitled to receive and will be sent all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being Option Holders, members of the Company.
- 5. Transfer of an Option**  
Each Option is transferable at any time prior to the Option Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by the ASX.
- 6. Method of Exercise of an Option**
  - 6.1** A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement ("Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary Shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,000 if only part of the Option Holders total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,000, then the total of all Options held by that Option Holder must be exercised.
  - 6.2** The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of \$0.20 per Share.
  - 6.3** Subject to Clause 6.1 hereof, the exercise of less than all of an Option Holders Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holders entitlement under the Option Holders remaining Options.

- 6.4 On exercise of Options, the Option Holder must surrender to the Company the Option Holders option certificate or holding statement with respect to those Options being exercised.
- 6.5 If the Option Holder exercises less than the total number of Options then registered in the Option Holders name:
  - 6.5.1 the Option Holder must surrender the option certificate or holding statement with respect to the Option Holders Options to the Company; and
  - 6.5.2 the Company must cancel that option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holders unexercised Options.
- 6.6 Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- 6.7 The Company will (subject to any escrow restrictions imposed by the ASX) within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.

**7. Reconstruction**

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applying to reconstructions at that time.

**8. Participation in New Share Issues**

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the Record Date for the purposes of determining entitlements to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

**9. Change of Options Exercise Price or Number of Underlying Shares**

- 9.1 If the Company makes a pro rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of each Option shall be reduced in accordance with the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

Where :

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = the average market price per Share (weighed by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or the ex entitlements date.
- S = the subscription price for a Share under the pro rata issue.
- D = any dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.

- 9.2 The reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provisions of the Listing Rules of the ASX.
- 9.3 If the Company makes a bonus issue of Shares or other securities convertible into ordinary Shares pro rata to holders of ordinary Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.

## 6.2 Rights Attaching to Shares

All Offer Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

### 1. 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for that Share.

### 2. Dividend Rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of Shares in proportion to the number of Shares held by them. The Directors may also implement a dividend reinvestment plan or share bonus plan on terms they think fit.

Any general meeting, or the Directors, determining a dividend may, by resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including paid up shares in, or debentures of, or options over the shares of, the Company or any other body corporate, and the Directors must give effect to that resolution. Where a difficulty arises in regard to a distribution of specific assets in such manner, the Directors may resolve the difficulty as they see fit.

The Directors may:

- (a) fix the value for distribution of the specific assets or any part of those assets;
- (b) determine that cash payments will be made to any Shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any of those specific assets in trustees;

as the Directors see fit.

### 3. Return Of Capital

The Company may reduce its share capital by any means allowed by the Corporations Act, subject to the Company complying with the ASX Listing Rules.

Any reduction in share capital may be made wholly or partly by way of an in specie distribution of specific assets, including paid up shares in, or debentures of, or options over the shares of, the Company or any other body corporate.

The Directors may:

- (i) fix the value for distribution of the specific assets or any part of those assets;
- (ii) determine that cash payments will be made to any Shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (iii) vest any of those specific assets in trustees;

as the Directors see fit.

Where the Company reduces its share capital by way of a distribution of shares or other securities in another body corporate:

- (i) the Shareholders are deemed to have agreed to become shareholders of that corporation and are bound by the Constitution of that body corporate; and
- (ii) each of the Shareholders appoints the Company or any of the Directors as its agent to execute any transfer of shares or other securities, or other document required to give effect to the distribution of shares or other securities to that Shareholder.

#### **4. Transfer of Shares**

Subject to the Constitution of the Company, the Corporations Act, the ASTC Settlement Rules, the ASX Listing Rules and any other laws, Shares are freely transferable. The Company may decline to register a transfer of Shares in limited circumstances, such as where the transfer is not in registrable form.

#### **5. Future Increases in Capital**

The allotment and issue of Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

#### **6. Variation of Rights**

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

#### **7. Rights on Winding Up**

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of fully paid shares held by them (and a partly paid share is counted as a fraction of a fully paid share equal to the amount paid on it, divided by the total issue price of the share).

#### **8. Proportional Takeover Provision**

The Constitution prohibits the registration of shares under a proportional takeover scheme until a resolution approving the scheme has been passed by those persons entitled to vote on it at a general meeting. These provisions will cease to have effect at the end of three years beginning on the date the Constitution was adopted (on 28 November 2003) unless renewed in accordance with the Corporations Act.

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## SECTION 7. ADDITIONAL INFORMATION

### 7.1 Market Prices of Ordinary Shares

The Company's Shares were re-admitted to quotation on ASX on 23 February 2006 and consequently, the trading history on the ASX (on a post Share Conversion basis) as at the date of this Prospectus is limited to the period since that date.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during such period were \$0.19 (on 28 February 2006) and \$0.285 (on 23 February 2006) respectively.

During the 3 month period prior to the Company's suspension on 21 December 2005, the adjusted (in respect of the 1 for 3 Share Conversion undertaken on 3 January 2006) highest and lowest recorded market sale prices of the Company's Shares quoted on ASX were \$0.63 (on 22 September 2005) and \$0.06 (on 21 September 2005) respectively.

The last market sale price of the Company's Shares on ASX on the last day that trading took place in these shares prior to the date of this Prospectus was \$0.23 on 17 March 2006.

### 7.2 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Options. Taxation consequences will depend on particular circumstances. Neither Strike Resources nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Options in Strike Resources or dealing with an entitlement in this Rights Issue.

### 7.3 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

### 7.4 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a "disclosing entity" for the purposes of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations, which requires it to disclose to ASX any information of which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

As the Company has been listed on the ASX since 7 March 2000, a substantial amount of information concerning the Company has previously been notified to the ASX and is therefore publicly available, including the December 2005 Prospectus and December 2005 Half Year Report referred to in Section 3 of this Prospectus.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Options under this Prospectus.

Copies of documents lodged with the ASIC in relation to the Company's reporting and disclosure obligations may be obtained from or inspected at, an office of the ASIC. This includes the December 2005 Prospectus referred to in Section 3 of this Prospectus.



The Company will provide free of charge to any party entitled to participate in the Issue who requests it during the period of the Issue, a copy of:

- (a) the December 2005 Prospectus dated and lodged with ASIC and ASX on 23 December 2005;
- (b) the December 2005 Half Year Report dated 15 March 2006 and lodged with ASX on 16 March 2006;
- (c) the following documents lodged by the Company to notify the ASX of information relating to the Company during the period from the date of lodgment of the December 2005 Half Year Report referred to in paragraph (b) above and before the lodgment of this Prospectus:

Date	Details
20 March 2006	Update on Kalimantan Coal Project
16 Mar 2006	Update on Kalimantan Coal Agreement

The above documents and other ASX announcements lodged by the Company are also available for viewing and download on the Company's website on [www.strikeresources.com.au](http://www.strikeresources.com.au), or the ASX website on [www.asx.com.au](http://www.asx.com.au) under ASX Code "SRK".

### 7.5 Interests of Directors

A full disclosure of the interests of Directors of the Company to the date of issue of the December 2005 Prospectus are set out in Section 9 of the December 2005 Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

The relevant interest of the Directors in the securities of the Company at the date of this Prospectus are as follows:

Director	Shares Held Directly	Shares Held Indirectly	Total
John Stephenson	-	50,000	50,000
H. Shanker Madan	-	333,333	333,333
Farooq Khan	353,340	2,029,610	2,382,950
Victor Ho	16,667	-	16,667

Mr Khan also has a relevant interest in the Hume Options.

### 7.6 Expenses of the Issue

The total expenses are estimated to be \$15,000 comprising legal costs, printing, ASX quotation fee and other administrative expenses.

## **SECTION 8. MATERIAL CONTRACTS**

Section 13 of the December 2005 Prospectus which is referred to in Section 3.2 of this Prospectus, sets out contracts to which the Company is a party which were considered by the Directors as being material to enable investors to make an informed assessment of the shares being offered under that Prospectus. Investors and their professional advisers are referred to that section of the December 2005 Prospectus in relation to material contracts.

Other than the contracts referred to in the December 2005 Prospectus, the only other contract entered into by the Company material to investors is the amendment to the Kalimantan Coal Agreement dated 17 March 2005 described in Section 4.6 of this Prospectus.

A true copy of each of the material contracts referred to in the December 2005 Prospectus and in this Prospectus will be available for inspection at the Company's registered office during office hours.

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## SECTION 9. CONSENTS

Each of the parties referred to in this Section 9:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Stanton Partners has given its written consent to the incorporation by reference of the December 2005 Half Year Report and to all statements referring to the December 2005 Half Year Report in the form and context in which they are included, and has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Hetherington Exploration & Mining Title Services Pty Ltd has given its written consent to the incorporation by reference to the Independent Exploration Titles Report set out in Section 7 of the December 2005 Prospectus and to all statements referring to that report in the form and context in which they are included, and has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Al Maynard and Associates has given its written consent to the incorporation by reference to the Independent Geological Report set out in Section 6 of the December 2005 Prospectus and to all statements referring to that report in the form and context in which they are included, and has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgment of this Prospectus with the ASIC:

- (a) Advanced Share Registry Services as the share registry to the Company; and
- (b) Stanton Partners as the Company's auditors.

**SECTION 10. AUTHORITY OF DIRECTORS**

Each of the Directors of Strike Resources Limited has consented to the lodgment of this Prospectus in accordance with section 720 of the Corporations Act 2001.

Dated 20 March 2006



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Signed for and on behalf of  
STRIKE RESOURCES LIMITED  
By John Stephenson (Chairman)

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## SECTION 11. DEFINITIONS

**Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus.

**Applicant** means a person who submits an application.

**Application** means a valid application to subscribe for Options.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement Corporation Pty Ltd ACN 008 504 532.

**ASTC Settlement Rules** means the operating rules of ASTC.

**ASX** means Australian Stock Exchange Limited (ACN 008 624 691).

**Auditors** means Stanton Partners, Accountants and Consultants.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means the date on which the Offer closes, currently 5:00pm WST 18 April 2006.

**Company** means Strike Resources Limited.

**Consolidated Entity** means the Company and its controlled entities.

**Corporations Act 2001 and Law** means the Corporations Act 2001 of Australia.

**December 2005 Prospectus** means the prospectus lodged by the Company with the ASIC and dated 23 December 2005 for the offer of Shares at an issue price of 20 cents, which closed on 3 February 2006 raising gross funds of \$1,500,000

**December 2005 Half Year Report** means the Directors' Report and Financial Report for the half year ended 31 December 2005 reviewed by the Company's Auditors, dated 15 March 2006 and announced to the ASX on 16 March 2006.

**Directors** means the directors of the Company from time to time.

**Dollars or \$** means Australian dollars unless otherwise stated.

**Entitlement** means the number of Options to which each Shareholder is entitled under this Offer.

**Glossary** means this glossary of definitions.

**Hume** means Hume Mining NL A.B.N. 52 063 994 945.

**Hume Agreement** means an agreement entered into between the Company and Hume dated 15 September 2005 (as amended) for the acquisition of 75% of Hume's interests in the Hume Tenements, being more particularly described in Section 13.1 of the December 2005 Prospectus.

**Hume Tenements** means the tenements in the Northern Territory and Western Australia acquired by the Company under the Hume Agreement, being more particularly described in the Independent Exploration Titles Report (in Section 11 of the December 2005 Prospectus).

**Hume Options** means the Options Hume has subscribed for under the Hume Agreement, being more particularly described in Section 4.4 of this Prospectus.

**Kalimantan Coal Project** means the projects to explore for, mine and sell coal from the areas covered by one or more of the coal concessions located in East Kalimantan, Indonesia, the subject of the Kalimantan Coal Agreement, being more particularly described in sections 6.3 and 13.4 of the December 2005 Prospectus.

**Kalimantan Coal Agreement** means a cooperation agreement entered into between FSO, Indo Coal, KJC and KJM dated 24 November 2005 (as amended), being more particularly described in Section 13.4 of the December 2005 Prospectus.

**KJC** means PT Kaltim Jaya Coal, an Indonesia company.

**KJM** means PT Kaltim Jaya Mineral, an Indonesia company.

**KP 1 or Concession 1** means the coal Concession of 5000 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of the December 2005 Prospectus.

**KP 2 or Concession 2** means the coal Concession of 7363 ha the subject of the Kalimantan Coal Agreement being more particularly described in sections 6.3 and 13.4 of the December 2005 Prospectus.

**Indo Coal** means PT Indo Batubara (an Indonesian incorporated Company which represents FSO's interests in Indonesia - refer to Section 13.5 of the December 2005 Prospectus).

**Independent Geologist** means Al Maynard and Associates.

**Independent Geological Report** means the report contained in Section 6 of the December 2005 Prospectus.

**Issue** means the issue of Options pursuant to this Prospectus.

**Listing Rules or ASX Listing Rules** means the official Listing Rules of ASX.

**Option** means an option to subscribe for one Share in Strike Resources exercisable at 20 cents on or before 5.00pm WST on 30 June 2008 and issued on the terms and conditions set out in this Prospectus.

**Offer** means the offer of Options pursuant to this Prospectus.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Official List** means the Official List of ASX.

**Opening Date** means the date on which the offer opens, currently 30 March 2006.

**Prospectus** means this prospectus dated 20 March 2006 for the Rights Issue, including any electronic or online version.

**Quotation** means quotation of the Shares or Options on ASX.

**Rights Issue** means the non-renounceable offer pursuant to this Prospectus to Shareholders on the basis of one (1) Option for every two (2) Shares held at the Record Date at an issue price of 1 cent each.

**Share** means one fully paid ordinary share in Strike Resources Limited.

**Shareholder** means a holder of Shares.

**Strike Resources** means Strike Resources Limited (A.C.N. 088 488 724).

**Sinarco** means Sinarco Resources Pte Ltd, the party who introduced the Kalimantan Coal Project to the Company.

**Sinarco Agreement** means an agreement entered into between the Company and Sinarco dated 10 November 2005 for Sinarco to be rewarded for introducing the Kalimantan Coal Project to the Company, being more particularly described in Section 13.6 of the December 2005 Prospectus.

**UOG** means Uranium Oil and Gas Limited (ACN 115 593 005), a party to the UOG Agreement.

**UOG Agreement** means an agreement entered into between the Company and UOG and Helen Mary Ansell dated 3 October 2005 (as amended) for the acquisition of a 70% interest in the UOG Tenement, being more particularly described in Section 13.2 of the December 2005 Prospectus.

**WST** means Western Standard Time, Perth, Western Australia.



ASX Code: SRK

**Strike Resources Limited**

A.C.N. 088 488 724

(formerly Fast Scout Limited)

**Registered Office:**

Level 14, The Forrest Centre  
221 St Georges Terrace  
Perth, Western Australia 6000

**T** | (08) 9214 9700  
**F** | (08) 9322 1515  
**E** | [info@strikersources.com.au](mailto:info@strikersources.com.au)  
**W** | [www.strikersources.com.au](http://www.strikersources.com.au)

**Share Registry:**

Advanced Share Registry Services  
110 Stirling Highway  
Perth, Western Australia 6009

**T** | (08) 9389 8033  
**F** | (08) 9389 7871  
**E** | [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)  
**W** | [www.asrshareholders.com](http://www.asrshareholders.com)

# STRIKE

## RESOURCES LIMITED

A.C.N. 088 488 724

### ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR

REGISTERED OFFICE: Level 14, The Forrest Centre, 221 St Georges Terrace, Perth WA 6000

SHARE REGISTRY: Advanced Share Registry Services, 110 Stirling Highway, Nedlands WA 6009 (PO Box 1156, Nedlands WA 6909)

Form Number :  
 Securities Sub Register :  
 Shares Held at Record Date (5:00pm on 29 March 2006) :  
 Entitlement to Options on 1:2 basis :  
 Amount Payable for Full Entitlement at \$0.01 (one cent) per Option : \$  
 HIN/SRN :

Non-renounceable entitlement issue of up to approximately 23,734,839 options (each providing the right to subscribe for one share in the Company at a cost of 20 cents per share, on or before 30 June 2008) on the basis of 1 option for every 2 ordinary shares held, at an issue price of \$0.01 (one cent) per option.

**Non-renounceable entitlement, closing 5.00pm Western Standard Time (WST) on 18 April 2006.**

To: The Directors of STRIKE RESOURCES LIMITED

1. I/We the above mentioned, being registered on 29 March 2006 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned options in accordance with the enclosed Prospectus;
2. I/We enclose my/our cheque made payable to STRIKE RESOURCES LIMITED - OFFER ACCOUNT, for the amount shown being payment at the rate of \$0.01 (one cent) per Option.
3. I/We hereby authorise you to place my/our name(s) on the registers of option holders in respect of the number of Options allotted to me/us and;
4. I/We agree to be bound by the Constitution of the Company.

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE SECURITIES BEING OFFERED

Options Accepted	Amount Enclosed at \$0.01 (one cent) per Option

PLEASE ENTER CHEQUE DETAILS	Drawer	Bank	Branch	Amount

My/Our contact numbers in the case of enquiry are:

Telephone: ( ) ..... Fax: ( ) .....

Email: .....

NOTE : Cheques should be made payable to STRIKE RESOURCES LIMITED - OFFER ACCOUNT, crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Services, PO Box 1156, Nedlands, Western Australia, 6909 to arrive no later than 5.00pm Western Standard time on 18 April 2006.

<b>Complete this panel and sign below only if a change of address is to be registered with the Company</b>	
New Address: _____	
Signature(s): _____	Date: _____
Please indicate correct title: Director / Secretary / _____	

**ISSUE CLOSES 5.00PM W.S.T ON 18 APRIL 2006**

THE DIRECTORS RESERVE THE RIGHT TO MAKE AMENDMENTS TO THIS FORM WHERE APPROPRIATE PLEASE REFER OVERLEAF FOR INSTRUCTIONS



## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Options which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. You may not apply for Options in excess of your maximum entitlement.
4. The price payable on acceptance of each Option is \$0.01 (one cent).
5. You may accept your entitlement in full by completing the Entitlement and Acceptance Form overleaf.

### APPLICATION INSTRUCTIONS

1. The issue price of \$0.01 (one cent) per Option is payable in full upon application.
2. Payments must be made in Australian currency by cheque or bank draft drawn on and payable at a bank within Australia. Cheques or bank drafts drawn on banks outside Australia in either Australian currency or in foreign currency will not be accepted.
3. The cheques must be made payable to **STRIKE RESOURCES LIMITED – OFFER ACCOUNT** and crossed "Not Negotiable".
4. When completed, this form together with the appropriate payment in Australian currency should be forwarded to STRIKE RESOURCES LIMITED, C/- Advanced Share Registry Services.
5. Acceptances must be received by Advanced Share Registry Services no later than 5.00pm W.S.T on 18 April 2006.

### ENQUIRIES

Any enquiries should be directed to :

Advanced Share Registry Services  
PO Box 1156                                          or                                          110 Stirling Highway  
Nedlands WA 6909                                          Nedlands WA 6009

Telephone :    08) 9389 8033

Facsimile :    (08) 9389 7871

Email:                          admin@advancedshare.com.au