

STRIKE

RESOURCES LIMITED

30 JUNE 2006 QUARTERLY REPORT

SUMMARY OF ACTIVITIES

18 April 2006 – Completion of 23,735,163 options issue; raising \$0.237 million; Options listed under “SRKO”

24 May 2006 – Agreement for Strike to acquire up to a 51% interest in two related Peruvian iron ore projects – The Apurimac Project and the Cuzco Project in Peru from Minera los Andes y el Pacifico S.A. (MAPSA).

7 June 2006 – A Peruvian company (D&C Group) advised the Company of its claimed rights in and to the concessions comprising the Apurimac and Cuzco Projects (based on a previous agreement with MAPSA) which were inconsistent with the agreement entered into between the Company and MAPSA in relation to the projects.

2 July 2006 – Settlement of dispute between MAPSA and the D&C Group and an agreement for Strike to retain a right to earn a 51% (or greater) interest in the Apurimac Project or the Cuzco Project or both (at Strike's election) through the acquisition of up to a 51% (or greater) shareholding in Apurimac Ferrum S.A. (AF) a Peruvian company that will hold one or both projects.

14 July 2006 – Appointment of William Johnson as Non-Executive Director.

17 July 2006 – Company seeks extension of due diligence period from 15 July to 30 November 2006 on KP2 thermal coal concession in East Kalimantan (Indonesia) – *the confirmation of which has not been received and accordingly, the Company will not proceed with this coal project*

17 July 2006 – Mapping and sampling at Paulsen East P47/1170 indicates the presence of high grade hematite mineralisation (hematite conglomerate in hematite matrix) as a ridge rising up to ~60m above the valley floor, extending for a strike distance of ~3,000m and varying in width from 6 to 12m in a single and continuous outcrop.

25 July 2006 – Strike believes the granite and Proterozoic sandstone hills that drain into the Hinkler Well palaeo channel (situated in Strike's Mt Lawrence Wells project tenements) are the source for uranium mineralisation in the Hinkler Well tenements of U3O8 Limited.

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ABOUT STRIKE RESOURCES LIMITED

Strike Resources Limited (SRK) is a mineral exploration and development company which holds a prospective portfolio of mineral exploration projects in Australia, Peru and Indonesia and is actively investigating other opportunities, particularly in relation to uranium, coal and other prospects in the energy sector. Current projects are:

- (1) Apurimac and Cuzco Projects (Peru) – Iron-ore
- (2) Bigrlyi South (Northern Territory) - Uranium
- (3) Mt James (Gascoyne, Western Australia) – Uranium
- (4) Mt Lawrence Wells (East Murchison, WA) - Uranium
- (5) Canning Well (Pilbara, WA) – Gold and Uranium
- (6) Paulsen East (West Pilbara, WA) – Iron-Ore and Gold
- (7) West Java (Indonesia) – Copper and Gold

CURRENT ISSUED CAPITAL

	Listed on ASX	Not Listed on ASX or Subject to Escrow	Total
Fully paid ordinary shares	46,213,318	1,783,334	47,996,652
\$0.20 (30 June 2008) Options	23,208,190	-	23,208,190
\$0.20 (9 February 2011) Hume Options	-	1,833,333	1,833,333
\$0.30 (9 February 2011) Hume Options	-	1,666,667	1,666,667
\$0.96 (21 July 2011) Directors' Options	-	4,600,000	4,600,000

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INTRODUCTION

Strike Resources Limited (**SRK** or **Strike**) has interests in a number of Australian and overseas resource projects. The Board has members with extensive experience in the resources sector, including Chairman, Dr John Stephenson, previously Exploration Director for Rio Tinto Australasia with more than 35 years experience in the mineral exploration business, and Managing Director, Mr H. Shanker Madan, an experienced senior geologist with more than 30 years of world-wide experience in the exploration and evaluation of mineral deposits for various commodities.

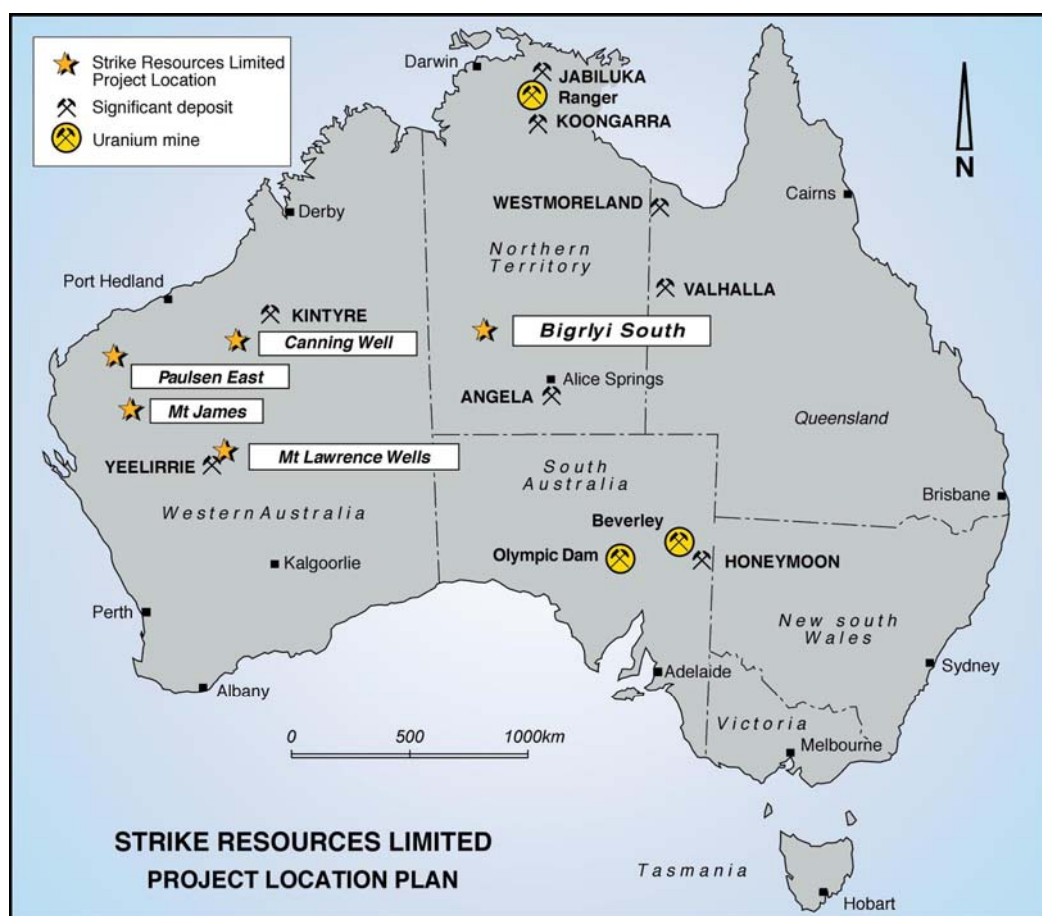
The Company continues to investigate opportunities particularly in relation to uranium, coal and other prospects in the energy sector. This includes pegging of tenements, entering into joint ventures, taking options over and acquiring tenements, projects and joint venture interests, in Australia and overseas.

AUSTRALIAN PROJECTS

The Company has a 75% interest in a suite of uranium exploration tenement applications located principally in the northern part of the Ngalia Basin in the Northern Territory together with a 75% interest in a series of further tenement interests in Western Australia.

In addition, the Company has secured interests in other tenements and has also directly pegged tenements in Western Australia.

The Company's project areas in the Northern Territory and Western Australia are located in the geographic map below.



PERUVIAN IRON-ORE PROJECTS



Strike has secured the right to progressively earn a 51% or greater interest in potentially large high grade hematite and magnetite deposits in Peru – the Apurimac and Cuzco Projects. Strike is currently conducting due diligence on the projects and Apurimac Ferrum S.A. (**AF**), the Peruvian company that will hold the projects.

Región Apurímac



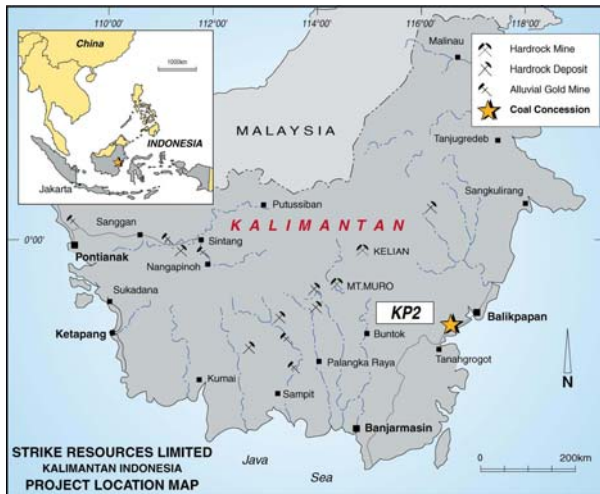
Peru



Región Cuzco



Indonesian Projects



(1) East Kalimantan Coal

The Company had previously entered into an agreement in relation to a thermal coal concession in Indonesia (**KP2**).

Laboratory analysis of drill samples revealed a higher than expected total moisture content. The Company sought further time to conduct due diligence investigations into this matter (from 15 July to 30 November 2006) but the concession holders have declined to provide such extension. Accordingly, the Company will not proceed with this coal project. There are no further payments required to be made under the agreement.

(2) West Java Copper/ Gold

The Company has entered into an agreement to acquire a 100% interest in a 5,601 ha concession located approximately 100km west of Jakarta. The Company has identified a high level gold vein and stock work and associated porphyry copper targets within the concession.

PROJECTS OVERVIEW

1. PERUVIAN IRON-ORE PROJECTS

By agreement dated 2 July 2006 between Strike and Peruvian companies, Apurimac Ferrum S.A (**AF**), Minera los Andes y el Pacifico S.A. (**MAPSA**) and D&C Group S.A.C (**D&C**), Strike has secured the right to earn a 51% (or greater) interest in the Apurimac Project or the Cuzco Project or both (at Strike's election) through a progressive investment in AF (which will hold the projects) within a 5 year period.

Project Summary

Based upon a report issued by the Peruvian Ministry of Energy and Mines, the following is a summary of these iron ore projects:

(i) The Apurimac Deposit

- Estimated deposit size of 730 million tonnes of high grade hematite and magnetite iron ore @ Iron grades of between 60-66% Fe and with average analyses of Silica (2-5%) and Alumina (0.2-0.8%);
- 21 mining tenements having a total area of 18,488 hectares;
- Tenements are located close to the city of Andahuaylas in Peru's southern Andes.

(ii) The Cuzco Deposit

- Estimated deposit size of 500 million tonnes of high grade iron ore (principally magnetite) @ Iron grades of 64% + Fe and with average analyses of Phosphorus (0.09%), Silica (5.06%) and Sulphur content (0.3%);
- 6 mining tenements having a total area of 4,926 hectares;
- Tenements are located approximately 150km SSW from the city of Cuzco in Peru's southern Andes.

It is noted that the potential quantity and grades referred to above are conceptual in nature; there has been insufficient exploration to define a JORC compliant Mineral Resource; it remains to be ascertained if exploration will result in the determination of a Mineral Resource. The Company further notes that the Peruvian Ministry of Energy and Mines estimates have been based on mapping and surface sampling and have not been based on drilling. Detailed exploration will be required to confirm the Peruvian Ministry of Energy and Mines estimates and to determine the full iron ore potential of the two deposits.

The Company's investigations suggest that the iron oxide deposits in the Apurimac and Cuzco districts are metamorphic skarn deposits in limestone in the contact region of intrusive monzonites and granodioritic rocks. At both these locations, much of the contact is obscured by Quaternary sediments. Most of the deposits outcrop as massive hematite and hematite-magnetite deposits being variously oxidised since their formation.

The Company believes that, based upon published literature and knowledge of similar deposits in Iran, these Peruvian deposits may range from high-grade hematite, hematite-goethite to high-grade hematite-magnetite and magnetite enrichment to various grades. Such deposits are generally known to be subsequently intruded by porphyry dykes and may also contain remnants of partly metamorphosed calcareous rocks or interbedded argillaceous or arenaceous layers.

Reconnaissance Drilling

As part of its due diligence the Company's geological staff will be visiting the project areas and will also review the results of recent reconnaissance drilling conducted by AMEC Consultants (Peru) for Apruimac Ferrum in two of the 21 Apurimac concessions in 2005. The results of this drilling have recently been made available to and are currently being reviewed by the Company.

The reconnaissance drilling has confirmed the presence of high-grade iron ore to depths of 107m and 181m in the respective concessions. A total of 31 holes were drilled for a total of 2,667m.

In one concession (Opaban III), the intercepts of continuous mineralisation along the drill holes varied from 22.6m to 106.95m in length (mostly commencing at or near surface). The iron grades in the reconnaissance holes in this concession ranged from 58.65% to 64.54% Fe. The best intercept recorded in this concession was 64.54% Fe for 92.27m. The average of all intercepts in this concession including the included waste (intrusives and unmineralised remnants) was reported as 62.29% Fe.

In the other concession (Opaban I), the intercepts of continuous mineralisation along the drill holes varied from 29.5m to 132.3m in length (mostly commencing at or near surface). The iron grades for lump material (+6.3mm) in the reconnaissance holes in this concession ranged from 45.64% (at the margin of the deposit) to 63.37% Fe (without using any cut-off grade). The best intercept recorded in this concession was 63.37% Fe for 87.9m of lump material and the reported average of all lump material intercepts in this concession including the included waste was 55% Fe.

Whilst the Company is encouraged by the high grade nature and thickness of mineralisation, the Company notes that only a small amount of reconnaissance drilling has so far been undertaken and has been limited to only 2 of the 27 Apurimac and Cuzco concessions.

Terms Of Agreement

The agreement is subject to completion of satisfactory due diligence by Strike on or before 15 September 2006. After completion of satisfactory due diligence, Strike will appoint 3 out of 5 directors (including the President) to the board of AF and will have control of operating budgets and mining activities on the Projects.

The acquisition by Strike of a shareholding interest in AF has been structured on a staged basis - please refer to the Company's market announcement dated 5 July 2006 for further details.

Project Plan

The parties have agreed that during and after the Earn-In Period, the Board of AF shall have absolute control of any and all mining activities to be performed by AF and that AF shall apply its exploration expenditure towards (inter alia) the following objectives:

- (a) The conduct of exploration works to define a minimum JORC-compliant Inferred iron-ore resource of 100 million tonnes;
- (b) Complete a feasibility study for a Sponge Iron plant;
- (c) The conduct of pre-feasibility and feasibility studies for mining of ore;
- (d) The conduct of transportation studies;
- (e) The conduct of port and other infrastructure studies;
- (f) The conduct of mine production studies;
- (g) The establishment of trial mining and transportation pilot programmes;
- (h) The conduct of financial and technical studies on proposed production models; and
- (i) The conduct of marketing studies for proposed production models.

The Company recognises that considerable work needs to be undertaken, both at the due diligence stage and at the exploration and development stages to confirm and commercially exploit deposits of such potential magnitude.

2. INDONESIAN PROJECTS

2.1. Kalimantan Coal Project - KP2 (100% by PT Indo Batu Bara (a controlled entity))

By a cooperation agreement dated 24 November 2005 between Strike Operations Pty Limited (**SOPL**) (a wholly owned subsidiary of the Company), PT Indo Batubara (**Indo Coal**) (100% beneficially owned by SOPL), PT Kaltim Jaya Coal (**KJC**) and Pt Kaltim Jaya Mineral (**KJM**), Indo Coal had the right to exclusively conduct general survey activities, explore for, exploit, mine and sell all coal in the concession area covered by KP2 (the **Kalimantan Coal Agreement**) (**Kalimantan Coal Project**). The KP2 concession is located 65km southwest of Balikpapan, the capital city of Kalimantan.

The Company had conducted approximately 4,000 metres of preliminary core and open-hole drilling on this coastal concession as part of its due diligence. This drilling had indicated the presence of six coal seams of between one and five metres thickness.

Whilst the drilling work had confirmed the potential for a resource in line with previous estimations as to deposit size and calorific value, a review of the laboratory analysis had revealed a higher than expected total moisture content in the coal samples. This total moisture content effects the marketability, stockpiling and handling of such coal and can have a significant impact on bottom line mine profitability.

The Company believed that it therefore needed further time to conduct due diligence investigations into handling and stockpiling and their impact on the profitability of mining the coal. The Company had therefore sought an extension of the due diligence period for a further 3.5 months from 15 July to 30 November 2006.

The concession holders have not granted the extension to 30 November 2006 sought by the Company and accordingly, the Company will not proceed with this coal project and there will be no further payments required to be made under the KJC-KJM Kalimantan Coal Agreement.

As due diligence has not been declared, the Company will not be remunerating Sinarco Resources Pte Ltd (**Sinarco**) for the introduction of the KJC-KJM Kalimantan Coal Agreement concession to the Company (for which shareholder approval had been sought at the 14 July 2006 general meeting)

2.2. West Java Copper/Gold Project (100% by PT Indo Batu Bara)

By a cooperation agreement dated 16 March 2005 between SOPL, Indo Coal and PT Suda Miskin (**Suda Miskin**), Indo Coal has acquired the right to exclusively conduct general survey activities, explore for, exploit, mine and sell gold and any other minerals in the concession area (the **West Java Gold Agreement**) (**West Java Gold Project**).

The total area of the concession is 5,601ha. It is located approximately 100km west of Jakarta and is accessible by bitumen road from Jakarta via Serang. The concession is located close to the western tip of the island of West Java.

The Company has identified a high level gold vein and stock work and associated porphyry copper targets within a granodiorite (Oligocene age) and intruded sediments of the Bayah Formation (Eocene age). In addition, in the overlying Chikoto Formation, volcanic tuffs and breccias may contain rich pods of hydrothermal lead and zinc mineralisation.

During a field visit, Company geologists noted extensive argillic and silicic alterations and several small gold workings, some of which are currently worked by the family members of the owner of the concession.

Historical rock chip sampling during 2001 and 2002 returned the following best results from the area:

Sample	Au	Zn	Pb
UNITS	g/t	%	%
AD100704	38.60	-	-
AG100715	15.30	-	-
AD100705	8.85	-	-
AG100591	7.04	-	-
AG100586	-	1.99%	5.06%
AG100598	-	2.70%	-
G10126	62.40	-	-
G10124	25.30	-	-
G10106	12.10	-	-
G10120	6.21	-	-
G10129	4.14	-	-
G10117	-	1.70%	-

Source : Reports filed by PT Suda Miskin with the Indonesian mines department.

Under the terms of the West Java Agreement, the Company has paid US\$35,000 (after exercising due diligence) to Suda Miskin and has the following future payment and royalty obligations to Suda Miskin:

- (a) Staged cash payments totalling US\$50,000 over an 18 month period; and
- (b) A 19% after tax net profits royalty from production.

3. NORTHERN TERRITORY PROJECT

3.1. Bigrlyi South (75% in ELA 24879, 24927, 24928, 24929 and 24930)

The Company has a 75% interest in 5 exploration tenements located principally in the northern part of the Ngalia Basin in the Northern Territory (located approximately 390 kilometres north-west of Alice Springs). These tenements, having a total area of approximately 1,666 square kilometres, are adjacent to tenements surrounding the Bigrlyi Uranium Deposit (held by Energy Metals Limited – ASX Code: “EME”) which has a stated JORC resource of 8.37 million pounds of U₃O₈ at a cut-off grade of 0.1%¹.

In particular, the Company’s key NT uranium tenement (ELA 24879) lies approximately 5 kilometres south of EME’s Bigrlyi uranium deposit and ELA’s 24927, 24928 and 24929 also surround a number of EME’s stated strategic uranium tenements in the Ngalia Basin (refer map below).

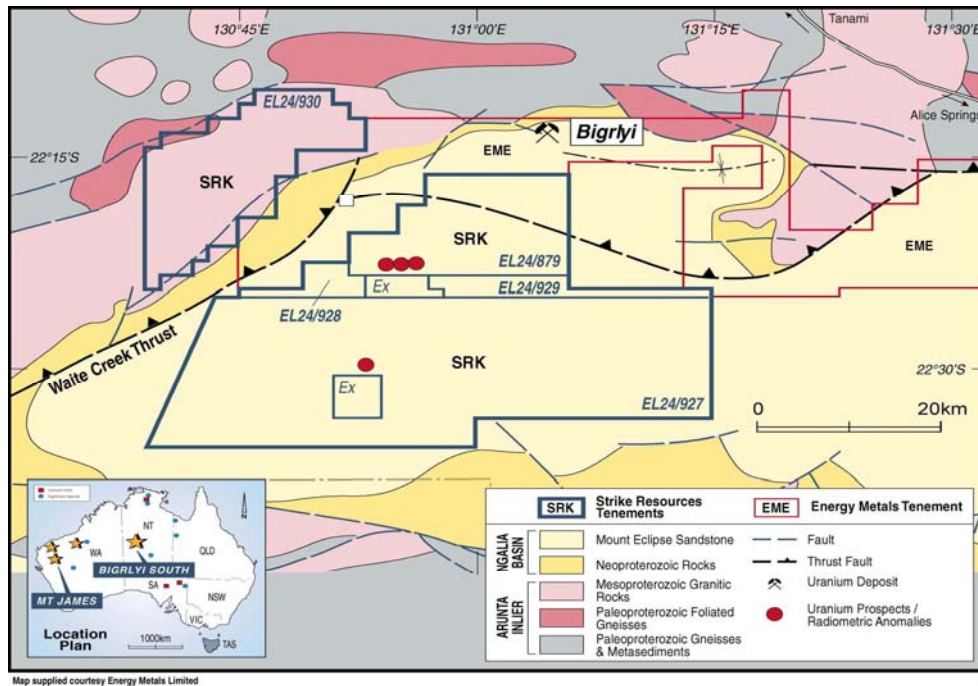
The Company’s initial examination of the geology of ELA 24879 indicates that it may contain a similar geological environment as that hosting the Bigrlyi Uranium Deposit and has a potential for economic uranium mineralisation. The Bigrlyi Uranium Deposit occurs in arkosic sandstones in the lower part of the late Devonian-late Carboniferous Mt Eclipse Sandstone which is host to 20 regional uranium prospects and radiometric anomalies principally along the northern margin of the Ngalia basin.

The Bigrlyi Uranium Deposit is regarded as a typical “modified roll front deposit” where uranium bearing oxidizing fluids meet with reducing conditions in layers of predominantly carbonaceous matter in a permeable formation. The uranium bearing fluids are believed to have flown from north to south at the time of formation of the Bigrlyi deposit and other prospects in the area. Regional geological setting indicates these uraniferous fluids probably have originated from granites of the underlying Arunta complex, and migrated southwards. Here, reaction with the reductant lithologies led to the precipitation of uranium mineralisation in the rocks of the Mount Eclipse Sandstone.

The Company considers that this regional uranium-bearing formation continues into ELA 24879.

¹

EME market Announcement “JORC Compliant Reporting of Resource Estimate for Bigrlyi” dated 25 July 2006



STRIKE RESOURCES LIMITED BIGIRLY SOUTH URANIUM PROJECT

All tenements which contain the lower Mt Eclipse Sandstone can be regarded as prospective for economic uranium mineralisation.

In particular the twin conditions of a pre-existing north to south flow regime (with EL 24879 lying in the path of the movement of these fluids and to the south) and the nature of permeable strata interlayered with carbonaceous matter may occur in EL 24879. Further, low angle thrust faults are postulated as additional primary fluid conduits into the Mt Eclipse Sandstone. These lines of evidence support the view that EL 24879 has potential to host economic uranium mineralisation.

The objection periods for ELA's 24979, 24928, 24929 and 24830 expired in June/July 2006 without any objections lodged and such tenements are expected to be granted shortly.

The Company proposes, upon grant of these tenements, to explore for uranium mineralisation using detailed structural analysis and modern exploration methods.

4. WESTERN AUSTRALIA PROJECTS

4.1. Mt James (Gascoyne Region) (75% in EL 09/1253; 70% in EL 09/1245 and 100% in ELA's 09/1257 and 09/1258)

EL 09/1253 and EL 09/1245 cover ground previously explored by AGIP Nucleare (Australia) Pty Ltd (**AGIP**), (a subsidiary of Italian multi-national energy group ENI) where 0.14% U (equivalent to 0.17% U_3O_8) as uraninite in a diamond drill hole was discovered by AGIP in the 1970s.

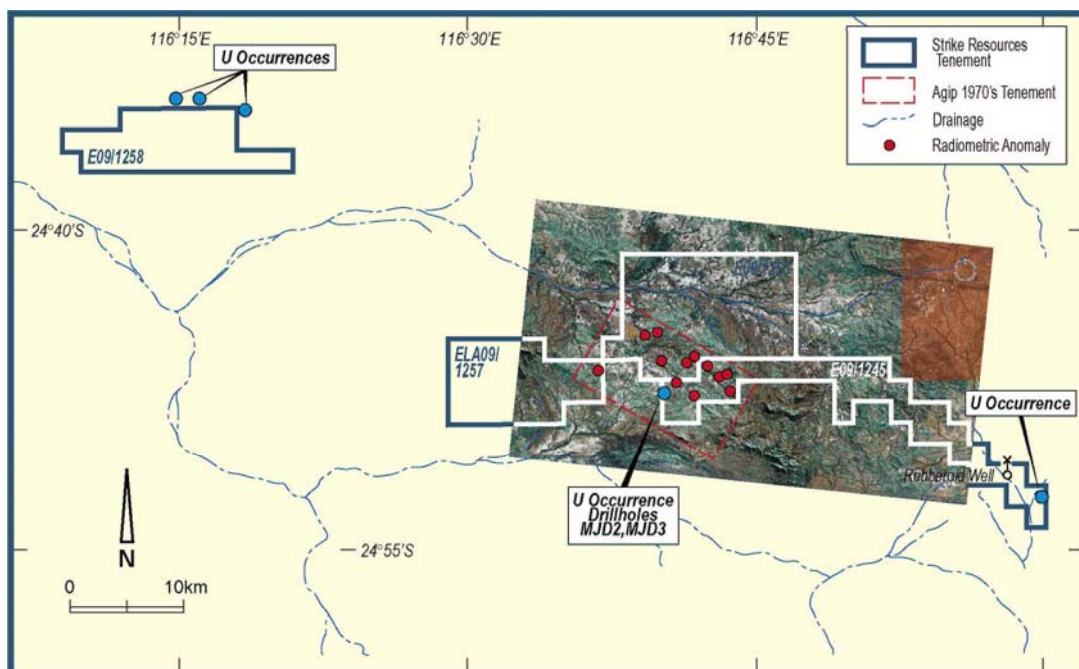
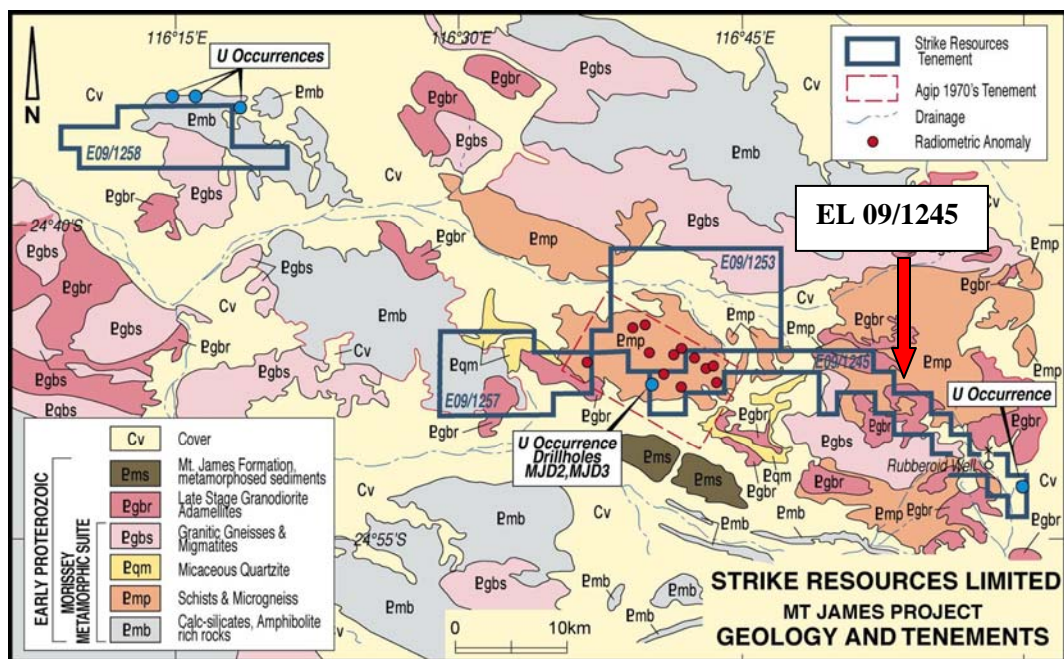
The Company has determined that AGIP conducted significant exploration activity for uranium in the Gascoyne region in the 1970s. This activity included an airborne radiometric survey which identified a number of radiometric anomalies leading to drilling occurring on a number of those anomalies.

Temporary Reserve TR 5963H was applied for by AGIP and appears to have been the main focus of AGIP's exploration activities in the Gascoyne region during the 1970s. The Company has secured rights to a large portion of the area previously comprising TR 5963H including areas where AGIP conducted trenching and drilling for uranium and where AGIP's reports show that it intersected carnotite mineralisation in shallow trenches and up to 1400 ppm U over 0.2m from 69.45 metres in hole MJD3 (0.14% U or 0.17% U_3O_8) as uraninite in a diamond drill hole in EL 09/1245. Lower grade uraninite mineralisation was also intersected in percussion drill holes nearby.

A summary of the diamond drilling results in two of the better holes referred to above are as follows:

Hole	From (m)	To (m)	U ppm	%U	Equivalent of %U ₃ O ₈
MJD 3	69.10	69.25	100	0.0100%	0.0118%
MJD 3	69.25	69.45	520	0.0520%	0.0613%
MJD 3	69.45	69.65	1,450	0.1450%	0.1709%
MJD 3	69.65	70.00	24	0.0024%	0.0028%
MJD 3	89.30	89.50	105	0.0105%	0.0124%
MJD 3	90.60	90.80	260	0.0260%	0.0306%
MJD 3	91.80	92.10	430	0.0430%	0.0507%
MJD 2	108.30	108.60	10	0.0010%	0.0012%
MJD 2	108.60	108.90	1,200	0.1200%	0.1414%
MJD 2	108.90	109.25	75	0.0075%	0.0088%
MJD 2	109.25	109.55	220	0.0220%	0.0259%
MJD 2	109.55	109.90	140	0.0140%	0.0165%

Note: 32.5 (ppm) U = Equivalent 38.3 (ppm) U₃O₈



The presence of primary uraninite mineralisation in drill holes in this area (coupled with untested anomalies and with a broader pattern of a large number of uranium occurrences in the duricrust in the district) demonstrates the potential of the Company's interest in EL 09/1253 and EL 09/1245 as being prospective for vein type high-grade mineralisation associated with pegmatites and granitic rocks.

Available records show that AGIP investigated only a handful of the identified radiometric anomalies. The Company's initial investigations reveal that in the Mt James EL 09/1253 tenement alone, eight significant radiometric anomalies remain untested.

The grant of Mt James EL 09/1253 will now allow the Company to conduct works to expand on the works previously conducted by AGIP. The Company believes that on the basis of previously encountered uranium mineralisation (including carnotite at shallow depth and uraninite at depth) and identified radiometric anomalies, that this tenement offers potential for both near surface secondary mineralisation in the saprolite zone as well as deeper primary vein-type mineralisation in pegmatite zones at depth.

The exploration strategy of the Company will now be to follow up the known uranium intersections and untested anomalies with confirmatory ground surveys and RAB drilling.

The Company's other tenement interests in the area, Exploration Licence applications ELA 09/1257 and ELA 09/1258 in the Injinu Hills and the Mortimer Hills areas, southwest and west respectively from EL 09/1253 are covered with large areas of duricrust and known to host near surface uranium mineralisation as carnotite within adjacent ground. No detailed follow-up work was done in these areas.

The Company proposes to explore for uranium mineralisation on the granted tenements using detailed structural analysis and modern exploration methods. In the first instance the focus will be around the known drill intersections that encountered uranium mineralisation and the known but untested anomalies identified by AGIP. The Company will also review the possibility of mineable resources of carnotite at shallow depth in the deeply weathered saprolite zone in the duricrust.

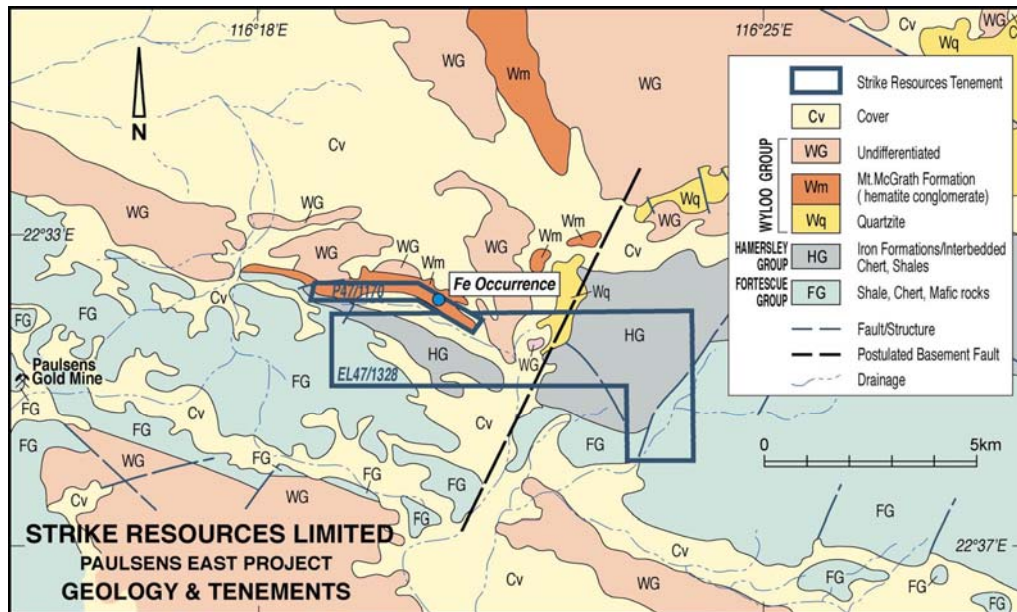
On the basis of data available from previous work, the number of radiometric anomalies, drill intersections within the said tenements and the general geological setting and potential for uranium mineralisation, the Company believes these Gascoyne tenements will, upon grant, become a key focus of its uranium exploration activities in Western Australia.

It should also be noted that although the eastern 45 percent of ELA 09/1253 forms part of Crown Reserve 39182 (Use and Benefit of Aboriginal inhabitants, which must be excised from the tenement prior to its granting) none of the drill holes or the anomalies reported herein are located in the reserve portion of that tenement.

4.2. Paulsens East (West Pilbara Region) (75% in ELA 47/1328 and PL 47/1170)

The Paulsens East tenements cover a total area of 19.64km². The tenements are located ~140km west of Tom Price (close to bitumised road) and eight kilometers east-northeast of the Paulsens Gold mine in the northwest of Western Australia.

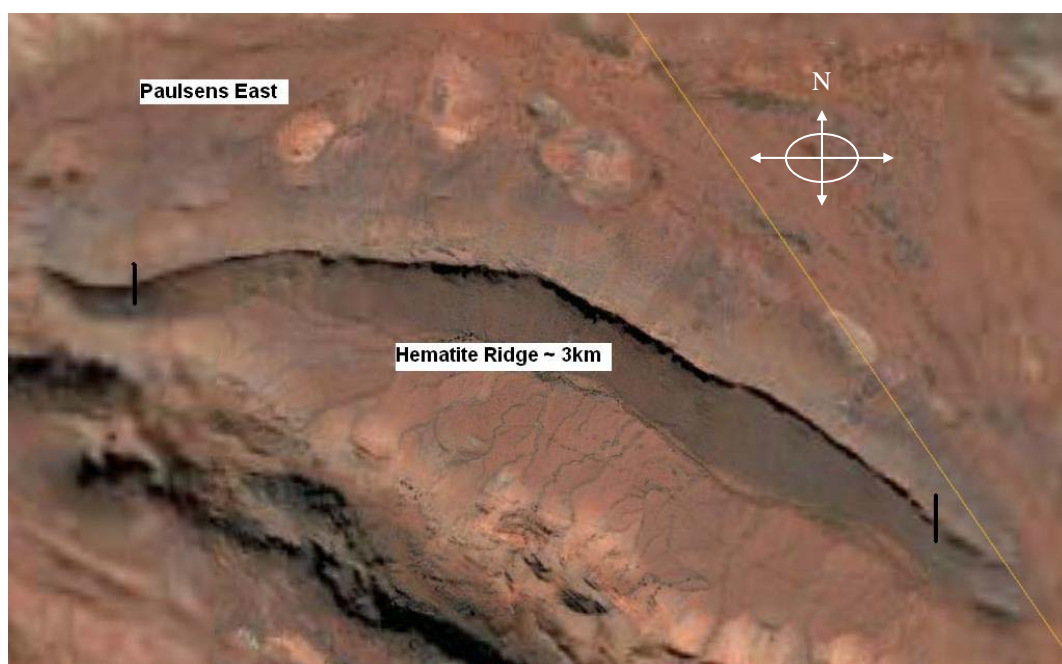
A map outlining these tenements and the area of the high grade hematite conglomerate mineralisation is shown below.



The Company is pleased to confirm that it has recently conducted mapping and sampling at PL 47/1170 which has confirmed the presence of high grade hematite mineralisation.

This mineralisation occurs as a ridge rising up to ~60m above the valley floor, extends for a strike distance of ~3,000m and varies in width from 6 to 12m in a single and continuous outcrop. The mineralisation occurs as a hematite conglomerate in hematite matrix.

The following aerial view and ground photographs illustrate the nature of this occurrence.



Aerial View of Hematite Ridge at Paulsens East

Company geologists sampled the outcrop at various points along the length of the ridge and the following table summarises the results of such sampling.

Surface Samples of Hematite Conglomerate and Mineralised Iron Fm June 2006

Sample	Fe	SiO ₂	Al ₂ O ₃	TiO ₂	MnO	CaO	P	S
UNITS	%	%	%	%	%	%	%	%
PE3001001	65.22	2.49	1.60	0.11	0.01	0.03	0.093	0.032
PE3002001	62.59	4.44	3.39	0.24	0.02	0.04	0.087	0.023
PE3003001	64.35	3.17	2.47	0.14	0.02	0.02	0.085	0.015
PE3003002	66.60	2.06	1.53	0.07	0.02	0.03	0.058	0.025
PE3003003	63.54	3.10	2.62	0.15	0.02	0.03	0.181	0.020
PE3003004	65.42	2.48	2.10	0.14	0.02	0.02	0.077	0.013
PE004001	65.36	2.32	1.57	0.10	0.02	0.03	0.139	0.029
PE3005001	65.66	2.29	1.58	0.11	0.03	0.05	0.101	0.054
PE3005002	67.05	1.51	1.28	0.09	0.02	0.02	0.069	0.010
PE3005003	66.01	2.24	1.36	0.09	0.02	0.02	0.103	0.024
PE3006001	65.09	2.30	1.89	0.12	0.01	0.02	0.110	0.019
PE3006002	63.26	3.40	2.59	0.11	0.08	0.06	0.107	0.065
PE3007003	65.94	1.93	1.60	0.11	0.02	0.05	0.095	0.026
PE3007004	65.30	2.84	2.03	0.10	0.03	0.06	0.056	0.027
PE3008001	64.83	2.61	2.24	0.12	0.03	0.03	0.133	0.021
PE3009001	66.57	2.06	1.45	0.12	0.08	0.04	0.059	0.053
PE3012001	66.75	2.08	0.90	0.08	0.02	0.11	0.089	0.088
PE3007001A	64.96	2.86	2.17	0.13	0.03	0.06	0.092	0.023
PE003005	66.42	1.92	1.60	0.10	0.04	0.03	0.066	0.016

The Company is pleased with the results of this sampling as it indicates the presence of high grade direct shipping material.



Profile view: A section of Hematite Ridge



Close up view of hematite conglomerate in hematite matrix

The Company is encouraged by the presence of such high grade mineralisation along a ~3km strike length. The mineralisation presents to a height of up to ~60m above the valley floor and the Company believes this mineralisation extends at depth. Accordingly the Company proposes to drill the area along the length of the ridge to determine its extent at depth.

In the first instance the Company will target a mineralisation depth of ~50m below the valley floor which if proven successful will significantly enhance the possibility for a commercially viable mining operation.

The Company also notes that the mineralisation occurs as a conglomerate, the source of which is likely to be close by.

The presence of a regional fault lying to the east of the ridge between it and a full sequence of Hamersley Group iron formations and the existence of cover rocks of the Wyloo Group indicates the potential for the source material occurring in ELA 47/1328 being the adjoining tenement owned by the Company.

The potential source material (if located) is likely to significantly enhance the extent of iron mineralisation by several orders of magnitude.

The Company will upon grant of ELA 47/1328 conduct detailed structural mapping and sampling to establish the relationship between the two tenement areas and the possible location of the source material.

A north-northeast tectonic basement fault crosses through the middle of ELA 47/1328. There is potential for epithermal gold mineralisation (similar to the Paulsens Gold Mine 10 km to the west) in the vicinity of this fault.

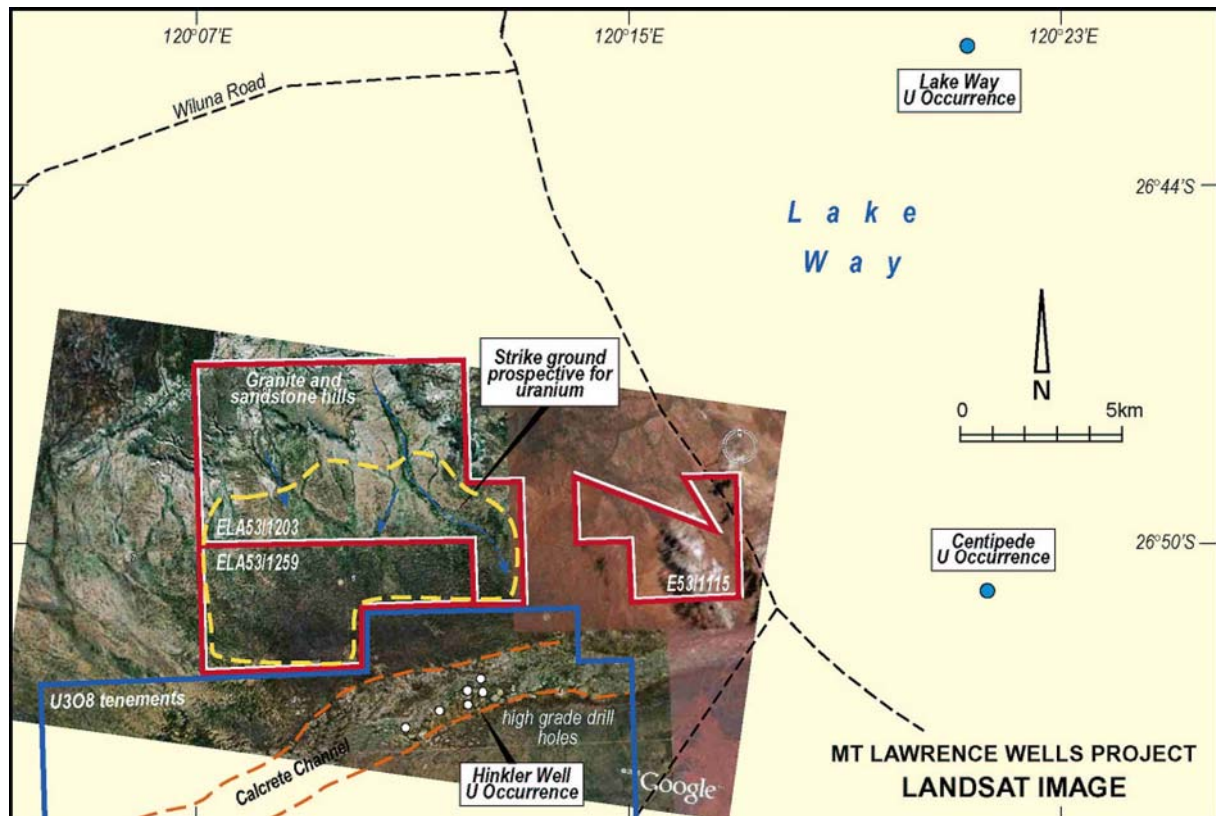
4.3. Mt Lawrence Wells (East Murchison Region) (85% in EL 53/115; 100% in ELA 53/1203)

These exploration licences are located 25 km south of Wiluna and north of a palaeo drainage that hosts the Hinkler Well, Centipede and Millipede uranium prospects.

The project area is located immediately north of the Hinkler Well tenements of ASX listed U3O8 Limited where U3O8 Limited has recently announced uranium mineralisation in calcrete extending for ~20kms. The mineralisation extends along an east west palaeo channel. Part of this calcrete channel and also the source of the gravels that cover the northern extent of the channel extend into Strike's tenements.

Strike's geologist believes the granite and the Proterozoic sandstone hills that drain into Hinkler Well palaeo channel and are situated in Strike's tenements, are the source for uranium mineralisation in the Hinkler Well deposit.

Strike owns 100% of two contiguous tenements north of the Hinkler Well deposit (ELA's 53/1203 and 53/1259) and is earning a 85% interest in another (EL 53/1115).



The alluvial wash discharging into the palaeo drainage extends upstream into the Dawsons Well and Mt Wilkinson tenements for several kilometres. The nearby Lake Way uranium prospect consisting of carnotite as coatings and in bedding plain partings of rock fragments in alluvial gravels contains 3.77m tonne ore at 0.98% U₃O₈ or 3,695 tonnes of uranium.

4.4. Canning Well (Pilbara Region) (75% in EL 46/629 and 63.75% in ELA 46/585)

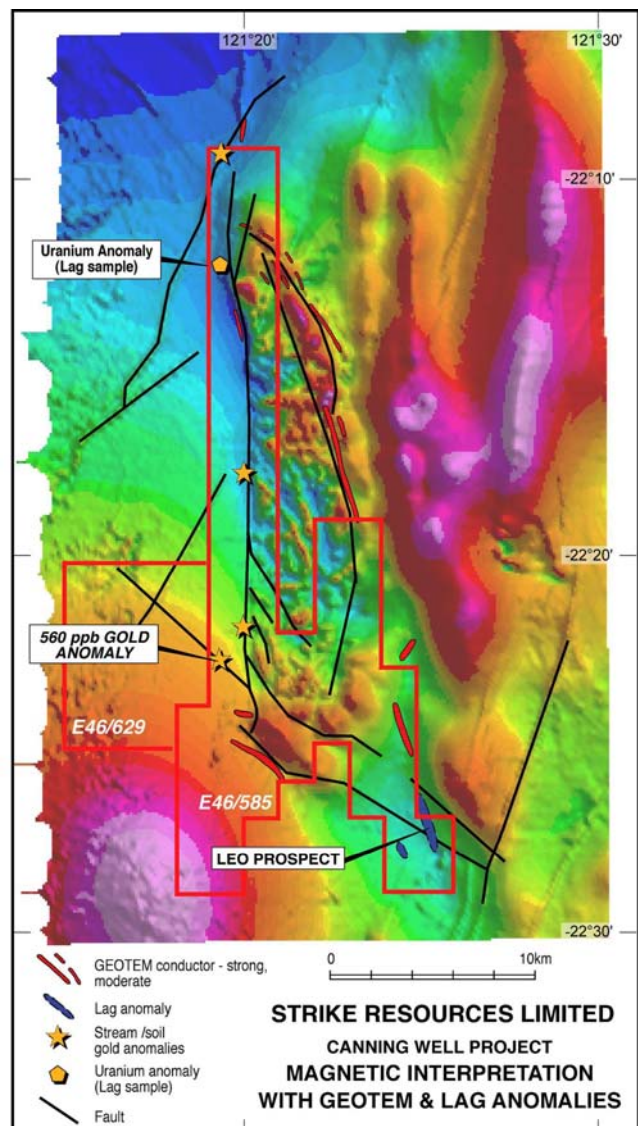
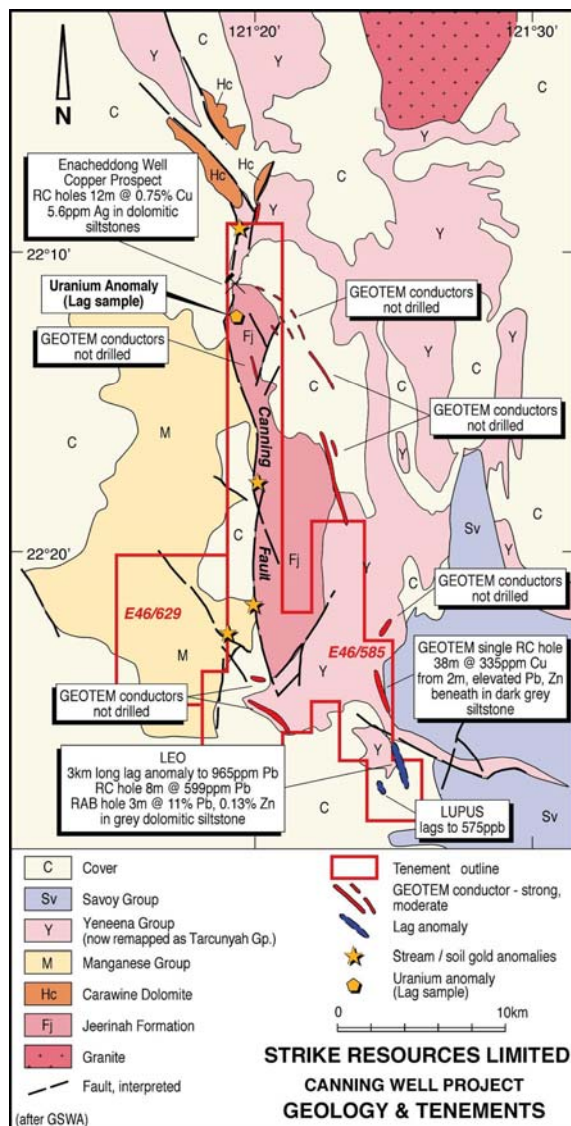
The Company has a 75% interest in granted Canning Well Exploration Licence EL 46/629 and Little Sandy Desert Exploration Licence application ELA 46/585 (in the later case, to acquire 75% of Hume Mining NL's 85% interest therein, excluding manganese mineral rights which are retained by Giralia Resources NL) in the East Pilbara region.

The Company's initial due diligence has indicated that uranium anomalies of up to 11 times the background were recorded in the project area in lag samples by previous explorers but were never followed up.

The project area is located approximately 80km west of the Kintyre uranium deposit and covers approximately 20km of the Canning Fault and associated splay and intersecting faults which bring together rocks of the Archaean Fortescue Group in juxtaposition with Proterozoic rocks of the Manganese Groups, the Tacunyah Group, the Yeneena Supergroup and the Savory Group.

Several major unconformities including Archaean to Proterozoic and within the Proterozoic rocks occur in close physical proximity to each other. The sandy facies of the Proterozoic rocks, which are wide-spread have been previously explored for copper and unconformity-type uranium mineralisation in the area of these two tenements.

Factors including significant uranium anomalies, the nature of unconformities in the Middle Proterozoic, the presence of sandy and carbonaceous rocks, suitable source basement rocks and the presence of regional faults are favourable for unconformity-type uranium mineralisation.



The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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 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 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 report of the matters based on his information in the form and context in which it appears.

5. CORPORATE

5.1. Capital Raising

The Company notes that further capital will need to be raised to fund its exploration and evaluation commitments. The Company will use its existing cash reserves to advance its current projects within an amount that is prudent given the other capital commitments of the Company.

5.2. Summary of Capital Changes

A summary of capital changes since 31 March 2006 is as follows:

Shares

					Running Balance of
Date	Description	Issue Price	No. Shares	Value of Issue	Issued Share Capital
31/03/2006					47,469,679
19/05/2006	Conversion of options	\$0.20	234,104	\$46,820.80	47,703,783
23/05/2006	Conversion of options	\$0.20	21,667	\$4,333.40	47,725,450
6/06/2006	Conversion of options	\$0.20	1,417	\$283.40	47,726,867
8/06/2006	Conversion of options	\$0.20	100,000	\$20,000.00	47,826,867
12/06/2006	Conversion of options	\$0.20	5,000	\$1,000.00	47,831,867
16/06/2006	Conversion of options	\$0.20	3,834	\$766.80	47,835,701
30/06/2006					47,835,701
3/07/2006	Conversion of options	\$0.20	5,000	\$1,000.00	47,840,701
13/07/2006	Conversion of options	\$0.20	28,917	\$5,783.40	47,869,618
19/07/2006	Conversion of options	\$0.20	30,000	\$6,000.00	47,899,618
27/07/2006	Conversion of options	\$0.20	97,034	\$19,406.80	47,996,652
31/07/2006					47,996,652

Options

(a) Listed Options

On 21 April 2006, the Company allotted and issued 23,735,163 options, each to acquire one fully paid ordinary share in the Company at an exercise price of 20 cents with each such option expiring at 5:00pm (Perth time) on 30 June 2008, pursuant to applications received under a non-renounceable one for two rights issue Prospectus dated 20 March 2006 which closed on 18 April 2006.

The options issue raised approximately \$237,325 (before expenses).

These options are traded under ASX Code: **SRKO**.

During the quarter ending 30 June 2006, 366,022 options were exercised and converted into shares (as described in the above table), raising a total of \$73,204.40.

(b) Directors' Options

On 14 July 2006, shareholders approved the issue of a total of 4,600,000 options to its four Directors (Messrs Stephenson, Madan, Khan and Ho). Such options were granted on 21 July 2006 on the following terms, including:

1. at an exercise price of 96 cents (being 133% of the volume weighted average share price of the Company's shares on ASX in the 5 trading days leading up to and including the date of the general meeting;
2. after they have vested, each option is exercisable at any time on or before 5 years from the date of issue (**Option Expiry Date**).
3. the options will vest as follows:
 - (a) 30% of the options issued to each Director will vest at the date of issue of the options (which options may therefore be exercised at any time prior to the Option Expiry Date);
 - (b) 30% of the options issued to each Director will vest at the date being 12 months after their date of issue (which options may therefore be exercised at any time thereafter and prior to the Option Expiry Date); and
 - (c) 40% of the options issued to each Director will vest at the date being 24 months after their date of issue (which options may therefore be exercised at any time thereafter and prior to the Option Expiry Date).
4. otherwise on the terms and conditions set out in Annexure A to the Explanatory Statement accompanying the Company's Notice of Meeting dated 31 May 2006.

The Company has also agreed to issue to Mr William Johnson, who joined the Board as Non-Executive Director on 14 July 2006, 500,000 options at the same 96 cent exercise price and with the same vesting period (and otherwise on the same terms as above) subject to shareholder approval to be sought at the Company's 2006 AGM.

31 July 2006

For further information:

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Company Secretary
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AUSTRALIAN TENEMENT SCHEDULE

Project	Status	Application No	Grant / Application Date	Expiry Date	Area (Blocks)	Area (km ²)	Location / Property Name	State	Company's Interest
Bigirlyi South	Application	EL 24879	29/08/05	N/A	82	260	Mount Doreen	NT	75%
	Application	EL 24927	12/09/05	N/A	338	999	Haasts Bluff	NT	75%
	Application	EL 24928	09/09/05	N/A	15	35.	Mount Doreen	NT	75%
	Application	EL 24929	09/09/05	N/A	26	56	Mount Doreen	NT	75%
	Application	EL 24930	09/09/05	N/A	99	314	Mount Doreen	NT	75%
Mt James (Gascoyne Region)	Granted	EL 09/1253	29/06/06	N/A	49	147	Mt James	WA	75%
	Granted	EL 09/1245	23/03/06	22/03/11	35	105	Rubberoid Well	WA	70%
	Application	ELA 09/1257	29/09/05	N/A	27	81	Injinu Hills	WA	100%
	Application	ELA 09/1258	29/09/05	N/A	26	78	Mortimer Hills	WA	100%
Paulsen East (West Pilbara Region)	Application	ELA 47/1328	03/11/03	N/A	6	18	Paulsen East	WA	75%
	Granted	PL 47/1170	27/03/06	26/03/11	164 hectares	1.64	Paulsen East	WA	75%
Mt Lawrence Wells (East Murchison Region)	Granted	EL 53/1115	06/10/04	05/10/09	6	18	Dawsons Well	WA	85%
	Application	ELA 53/1259	27/07/06	N/A	8	24	Millgool Camp	WA	100%
	Application	ELA 53/1203	01/11/05	N/A	17	52	Mt Wilkinson	WA	100%
Canning Well (Pilbara Region)	Granted	EL 46/629	02/08/05	01/08/10	19	57	Canning Well	WA	75%
	Application	ELA 46/585	17/10/03	N/A	69	207	Canning Well	WA	63.75% (excluding manganese mineral rights)

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

STRIKE RESOURCES LIMITED and controlled entities

ACN or ARBN

088 488 724

Quarter Ended

30 June 2006

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from from product sales and related debtors

1.2 Payments for

(a) exploration and evaluation

(b) development

(c) production

(d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

(a) Professional fees

(b) Legal and settlement costs

Net operating cash flows

Consolidated	
Current Quarter Jun 2006 \$' 000	Year to Date 12 months \$' 000
2	10
-	-
(377)	(908)
-	-
-	-
(185)	(807)
12	19
6	34
-	(2)
-	-
-	-
-	(18)
-	(248)
(542)	(1,920)

		Consolidated	
		Current Quarter Jun 2006 \$' 000	Year to Date 12 months \$' 000
1.8	Net operating cash flows (carried forward)	(542)	(1,920)
	Cash flows related to investing activities		
1.9	Payment for purchases of:		
	(a) prospects	-	(37)
	(b) equity investments	-	-
	(c) other fixed assets	(16)	(16)
		-	-
1.10	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	209
	(c) other fixed assets	-	-
		-	-
1.11	Loans to other entities		(33)
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Contribution towards development costs	-	30
	Proceeds from return of capital	-	7
	Net investing cash flows	(16)	160
1.14	Total operating and investing cash flows	(558)	(1,760)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	280	2,990
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	150
1.18	Repayment of borrowings	-	(150)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	(16)
		-	-
	Net financing cash flows	280	2,974
	Net increase (decrease) in cash held	(278)	1,214
1.21	Cash at beginning of quarter/year to date	1,572	80
1.22	Exchange rate adjustments to item 1.20		-
1.23	Cash at end of quarter	1,294	1,294

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter Jun 2006 \$' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	66
1.25	Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

(1) \$ 66,460 - Directors' fees, salaries and superannuation for the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None.

Financing facilities available

		Amount available \$' 000	Amount used \$' 000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	Next Quarter \$' 000
4.1 Exploration and evaluation	420
4.2 Development	-
Total	420

Reconciliation of cash

Reconciliation of cash at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Consolidated	
	Current Quarter \$' 000	Previous Quarter \$' 000
5.1 Cash on hand and at bank	1,294	1,572
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (Bank Bills)	-	-
Total: cash at end of quarter (item 1.22)	1,294	1,572

- -

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	Refer 30 June 2006 Quarterly Report for details of the Consolidated Entity's resource project interests in Australia, Peru and Indonesia. An Australian Tenement Schedule is also included in such report.			

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (see note 5) (cents)	Amount paid up per security (see note 5)
7.1 Preference securities+	n/a			
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities+	47,835,701	46,052,367		
7.4 Changes during quarter				
(a) Increases through issues	366,022	366,022	20 cents	N/A
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities+				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
	1,833,333	-	20 cents	9 February 2011
	1,666,667	-	30 cents	9 February 2011
7.8 Issued during quarter	23,735,163	23,735,163	20 cents	30 June 2008
7.9 Exercised during quarter	366,022			
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes				

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement **does** give a true and fair view of the matters disclosed.

31 July 2006

Victor Ho
Company Secretary

+ See Chapter 19 for defined terms

NOTES

- 1) The Company currently holds the following share investments:

Company	No Shares	%	31-Jul-06 Bid Price	Market Value
Orion Equities Limited (OEQ)	505,026	2.8%	\$0.815	\$411,596
Queste Communications Limited (QUE)	826,950	2.9%	\$0.240	\$198,468
Altera Capital Ltd (AEA)	20,002,860	32.3%	suspended	
Sofcom Limited (SOF)	12,420,439	27.8%	suspended	
Total				\$610,064

Share investments are regarded as liquid assets to supplement the Company's cash reserves.

On 25 May 2006, the Company entered into a share sale agreement with a syndicate of investors to dispose of its shareholding in AEA in consideration for \$65,151 cash. This sale is subject to AEA shareholder approval at a general meeting scheduled for 3 August 2006.

The Company is the largest shareholder in SOF which is currently suspended awaiting a potential recapitalisation and re-admission to ASX. SRK is in discussions regarding a sale of its interest in SOF.

- 2) The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report
- 3) The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 4) Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 5) The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 6) Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.