STRIKE RESOURCES LIMITED

31 DECEMBER 2006 QUARTERLY REPORT

SUMMARY OF ACTIVITIES IN DECEMBER 2006 QUARTER

17 December 2006 – Infill RC drilling programme of 2168 metres was completed at the Opaban I concession in the Apurimac Project. Completion of detailed gravity survey over existing outcrops and over large known magnetic anomalies in the Cuzco Project. Results are pending for both phases of work.

7 and 8 December 2006 – Completion of broker and institutional presentations.

30 November 2006 – Completion of $7.4 million Share Purchase Plan (**SPP**) at $1.30 per share.

28 November 2006 – Announced intention to spin-off uranium assets into a new IPO vehicle. SRK intends to retain a majority of the shares in the new uranium vehicle and will offer SRK shareholders a priority entitlement to a substantial portion of the new uranium vehicle's IPO shares - SRK is currently considering its options in relation to this proposed spin-off.

14 November 2006 – Announced high grade mineralisation at Paulsens East Iron-Ore Project in PL 47/1170 appears to extend beneath cover for a strike distance of an additional ~1.7 kilometres to the south-east into EL 47/1328 and swing further northwards along the range for some distance still within EL 47/1328 – a detailed gravity survey and RC drilling of 813 metres was completed in December 2006 with results of analysis pending.

10 November 2006 – Apurimac and Cuzco Iron-Ore Projects concessions officially recorded in the Cuzco Public Registry in the name of AF; the parties enter into a shareholder's agreement which formalises in greater detail the matters contained in an earlier agreement dated 2 July 2006; Strike undertakes US$0.40 million initial investment into AF; full operating control of AF passes to SRK.

1 November 2006 – Completion of a review of detailed geophysical work conducted on the Cuzco Project area by a Peruvian geophysical consultancy in early 2006; from such review, SRK has formed a resource target estimate of between 570Mt and 650Mt of high grade iron-ore for the Cuzco Project area.

25 October 2006 – Professor Malcolm Richmond joins SRK Board as Non-Executive Director; Professor Richmond has 30 years experience with the Rio Tinto and CRA Groups in a number of senior executive positions.

24 October 2006 – Completion of $3 million share placement to institutional, professional and sophisticated investors at $1.30 per share.

9 October 2006 – Completion of satisfactory due diligence investigations into Apurimac Ferrum (**AF**) and the Apurimac and Cuzco Iron-Ore Projects in Peru.

WORK FOR MARCH 2006 QUARTER

Uranium Asset Spin-off - completion of spin-off of uranium assets in the Northern Territory and Western Australia into a new IPO vehicle.

Peru – Strike will undertake further exploration and evaluation programmes involving:

- diamond drilling within the Cuzco Project to determine a JORC compliant resource estimate for this project area;
- additional geophysical surveys to define additional iron ore resources over priority concessions within the Apurimac Project area;
- additional diamond drilling to gain further confidence and improve the quality of the JORC resource estimate at the Opaban I and III concessions in the Apurimac Project area.

Paulsens East - Strike will conduct analysis of completed RC drilling data and determine a programme of further works based on that analysis.

West Java Banten (Indonesia) - Strike will continue to explore for porphyry copper and stock work gold mineralisation in the area.

Other - Evaluation of other prospective mineral deposits in Australia, Peru and Indonesia.

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31 January 2007

COMPANY PROFILE

Strike Resources Limited (ASX Code: SRK) is an Australian based mineral exploration and development company with a prospective portfolio of mineral exploration projects in Australia, Peru and Indonesia:

(1) Apurimac and Cuzco (Peru) – Iron-Ore

(2) Paulsens East (West Pilbara, Western Australia) – Iron-Ore and Gold

(3) Bigrlyi South (Northern Territory) - Uranium

(4) Mt James (Gascoyne, Western Australia) – Uranium

(5) Mt Lawrence Wells (East Murchison, Western Australia) - Uranium

(6) Canning Well (Pilbara, Western Australia) – Uranium and Gold

(7) West Java Banten (Indonesia) – Copper/Gold

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, 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, and **Professor Malcolm Richmond**, who has 30 years experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions, Managing Director, Research and Technology, Managing Director Development (Hamersley Iron Pty Limited).

CURRENT ISSUED CAPITAL

25 January 2006	**Quoted / To be Quoted**	**Not Quoted / Subject to Escrow**	**Total**
Fully paid ordinary shares	57,522,240	1,666,667[1]	59,188,907
$0.20 (30 June 2008) Listed Options	20,030,259	-	20,030,259
$0.20 (9 February 2011) Unlisted Options	-	1,833,333[2]	1,833,333
$0.30 (9 February 2011) Unlisted Options	-	1,666,667[2]	1,666,667
$0.96 (21 July 2011) Unlisted Directors' Options	-	4,600,000	4,600,000
$0.96 (13 September 2011) Unlisted Directors' Options	-	500,000	500,000
$1.20 (6 October 2011) Unlisted Employee Options	-	150,000	150,000

1 Shares will be released from escrow on 9 February 2007. The Company will apply for such shares to be quoted on ASX.

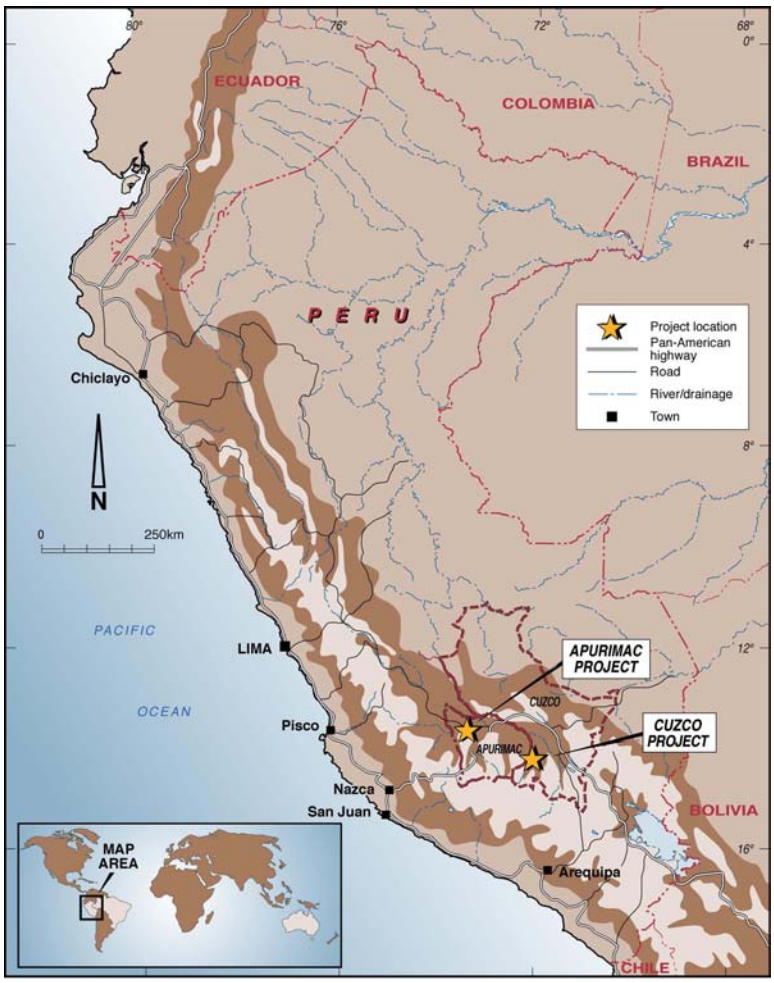
2 Options will be released from escrow on 9 February 2007 and remained unlisted.

Peruvian Iron-Ore Projects

The Company 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 – through an investment in Apurimac Ferrum S.A. (**AF**), a Peruvian company that holds title to the projects.

The Company has previously announced details of these projects based upon reports issued by the Peruvian Ministry of Energy and Mines (**PMEM**).

Subsequent announcements by the Company have contained resource estimates for a portion of the Apurimac Project area based on drilling conducted within 2 of the 21 concessions for that area and a resource estimate for the Cuzco Project area based on detailed geophysical work conducted on that area.



STRIKE RESOURCES LIMITED
PERU IRON ORE PROJECTS
LOCATION PLAN

The following table summarises these estimates:

	Estimate	Source
Apurimac Project	730 Mt target mineralisation	PMEM
including Opaban I Concession	210 – 260 Mt target mineralisation	Strike
Opaban III Concession	21 Mt JORC Inferred Mineral Resource	Strike
Cuzco Project	570Mt to 650Mt target mineralisation	Strike

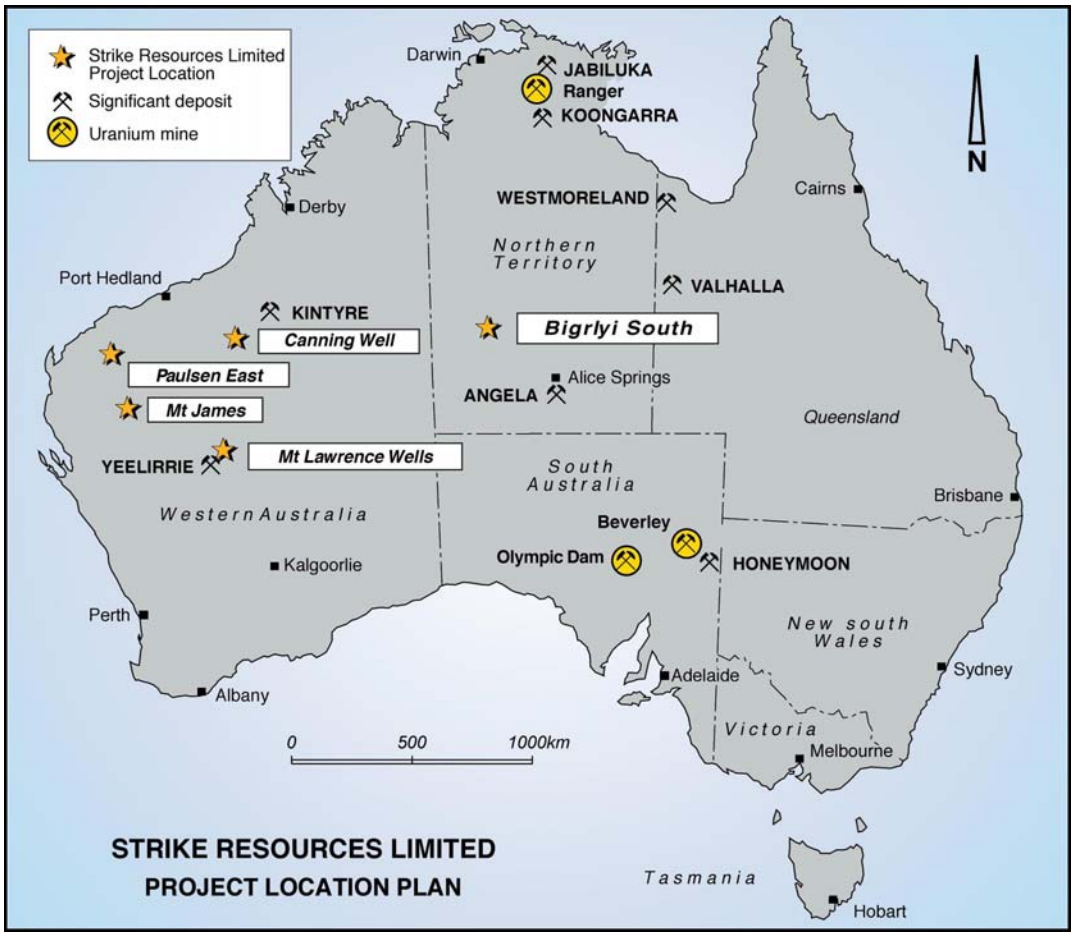
(It is noted however that the target mineralisation referred to above is conceptual in nature as there has been insufficient exploration to define a JORC compliant Mineral Resource and it remains to be ascertained if exploration will result in the determination of a Mineral Resource.)

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 further tenements prospective for other mineral commodities 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.



As announced on 28 November 2006, the Company intends to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on the Australian Securities Exchange (**ASX**).

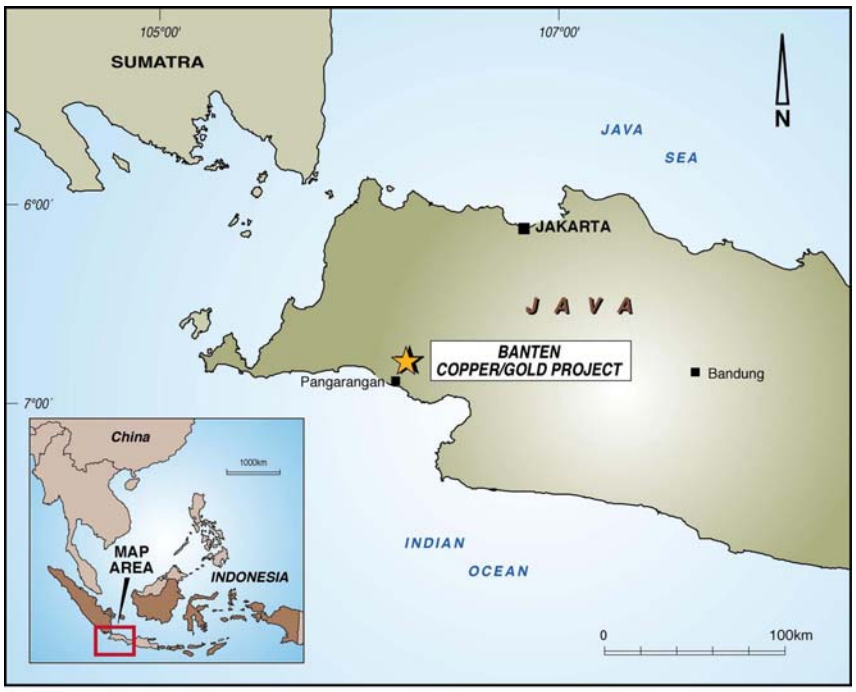
SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

SRK intends to retain a majority of the shares in the new uranium vehicle and will offer SRK shareholders a priority entitlement to a substantial portion of the new uranium vehicle's IPO shares. SRK will manage its retained stake in the new uranium vehicle for the benefit of all SRK shareholders.

Indonesian Project

West Java Banten Copper/ Gold

The Company has entered into an agreement to acquire a 100% interest in a 5,601 hectare concession located approximately 100 kilometres south-west of Jakarta. The Company has identified epithermal gold veins, gold stock works and associated porphyry copper targets within the concession.



STRIKE RESOURCES LIMITED
WEST JAVA BANTEN COPPER/GOLD PROJECT
LOCATION PLAN

1. Apurimac and Cuzco Iron-Ore Projects (Peru)

By agreement dated 2 July 2006 between the Company 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**) (and a more formal shareholders' agreement dated 10 November 2006), the Company has secured the right to earn a 51% (or greater) interest in the Apurimac Project or the Cuzco Project or both (at the Company's election) through a progressive US$6.5 million investment in AF (which holds title to such projects) and the exercise of options to acquire (at a total cost of $34.5 million) AF shares from D&C and MAPSA, within a 5 year period.

Project summary details are as follows:

(i) The Apurimac Project

- Based upon a report issued by the Peruvian Ministry of Energy and Mines: estimated target mineralisation of 730 million tonnes of high grade hematite and magnetite iron-ore grading at between 60 and 66% Fe, between 2 and 5% Silica and between 0.2 and 0.8% Alumina;
- 21 mining concessions having a total area of 18,488 hectares;
- Concessions are located close to the city of Andahuaylas in Peru's southern Andes.

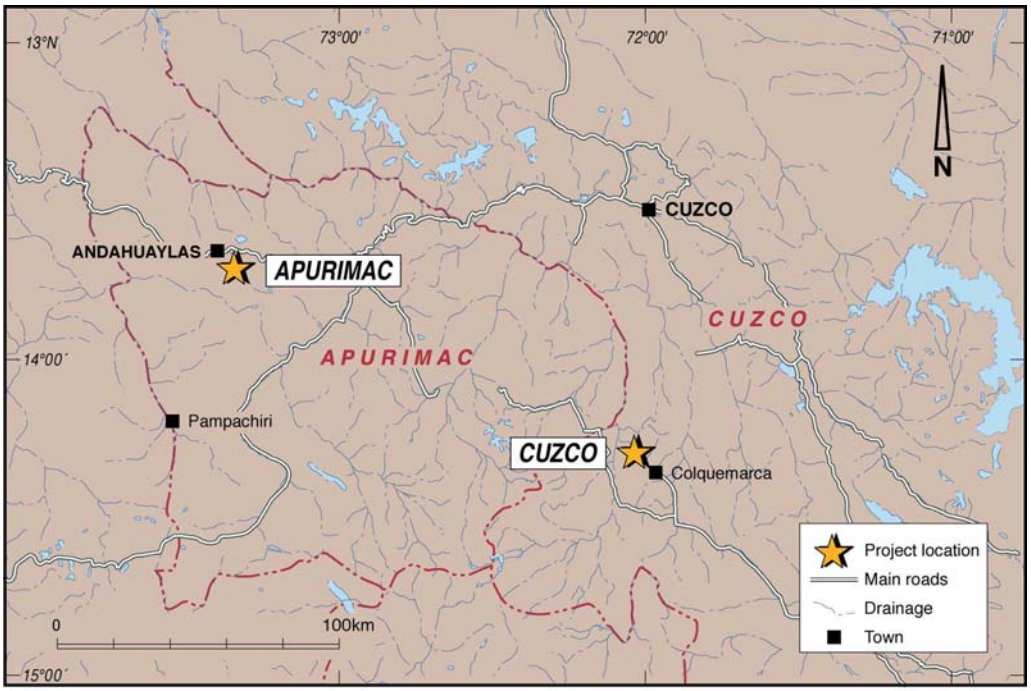
(ii) The Cuzco Project

- The Company has revised the target mineralisation in the Cuzco concessions of between 570Mt to 650MT of high grade iron ore based on its review of a report on recent (2006) detailed geophysical surveys on the Cuzco project area by Val D'or Geofisica, a Peruvian geophysical consultancy group. This geophysical work was completed in part to validate a report on the iron ore target mineralisation within the Cuzco project area published by the Peruvian Ministry of Energy and Mines in December 1974 which suggested the target mineralisation to be in the order of 500Mt with an average grade of 64.96% Fe, 5.06% SiO2, 0.09% P and 0.2% Cu;
- The Company further believes that the estimate of 570Mt to 650Mt is based on conservative geophysical parameters adopted by Val D'or Geofisica and therefore this target may be conservative.
- Six mining concessions having a total area of 4,926 hectares;
- Concessions are located approximately 80 kilometres south from the city of Cuzco in Peru's southern Andes.

It is noted that the potential quantity and grades of the target mineralisation 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 above estimates and to determine the full iron-ore potential of the two projects.

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 monzonite and granodiorite 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 having 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.



STRIKE RESOURCES LIMITED
PERU IRON ORE PROJECTS
PROJECT LOCATION PLAN

Programme of Works

The funds invested by the Company into Apurimac Ferrum are being applied towards an exploration and evaluation programme involving:

Stage 1 (December 2006 and January 2007):

- A 2,000 metre RC drilling programme to determine a JORC compliant resource estimate within the Opaban I concession of the Apurimac Project area;

- A detailed gravity survey over existing outcrops and over large known magnetic anomalies in the Cuzco Project area.

A 2,168 metre, 21 drill hole infill RC drilling programme was completed on 17 December 2006 at the Opaban I concession within the Apurimac Project area. The drilling complemented the initial 1,564.7 metre, 15 drill hole diamond drilling programme conducted during 2005 to commence validation of the 730 million tonnes of high grade iron-ore target mineralisation estimated by Takahashi Trading S.A. in 1961 and the Peruvian Ministry of Energy and Mines to exist within the areas covered by the 21 concessions in the Apurimac Project.

Analysis of drilling data has not been completed as at the date of this report; the Company has been advised that all results may be available within the next ~2 weeks.

The fieldwork component of the detailed gravity survey and additional ground magnetic survey within the Cuzco Project were completed in December 2006. The gravity survey covered a total of 69 line kilometres over existing outcrops and over large known magnetic anomalies. An additional 26 line kilometres of ground magnetic survey was also conducted to extend the previous magnetic survey data completed in August 2006. Processing and interpretation of the current gravity and magnetic survey data is expected to be completed in February 2007.

Stage 2 (March 2007 Quarter):

- A 1,500 metre diamond drilling programme to determine a JORC compliant resource estimate within the Cuzco Project area;
- A 1,000 metre diamond drilling programme to gain further confidence and improve the quality of the JORC compliant resource estimates within the Opaban I and III concessions of the Apurimac Project area;
- Detailed ground magnetic surveys over existing outcrops to define additional iron ore resources over priority concessions, including Opaban 1, Opaban III, Cristoforo 22, Los Andes, MAPSA 2001, Ferrum 4, Ferrum 2, Corominas 5 and Corominas 2 within the Apurimac Project area. In addition, gravity survey profile lines will be conducted to extend the current gravity survey data, and define existing anomalous iron ore gravity targets in Opaban III.

Stage 3 (June 2007 Quarter):

- A regional 5,000 metre RC drilling programme to define additional iron ore resources, primarily targeting anomalous magnetic survey data, within the remaining 21 concessions of the Apurimac Project area;
- A regional 5,000 metre RC drilling programme to define additional iron ore resources, primarily targeting anomalous gravity and magnetic survey data, within the Cuzco Project area.

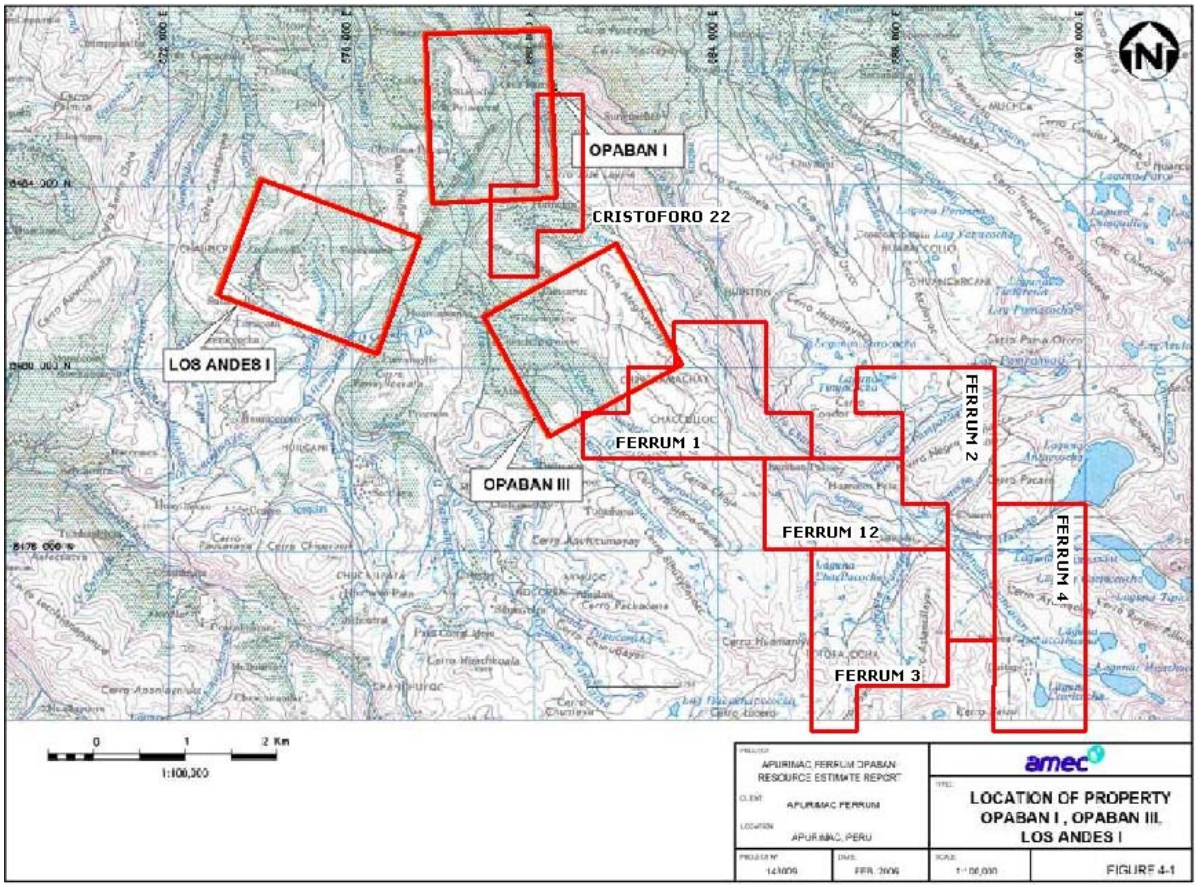
Magnetite versus Hematite

The Company notes that, with respect to West Australian iron-ores, the market currently appears to distinguish between hematite ores (generally regarded as 'high grade') and magnetite ore (generally regarded as 'low grade'). In comparison the mineralisation in the Opaban I and Opaban III concessions within the Apurimac Project is a mix of high grade hematite and high grade magnetite, which presents as an aggregate of the two minerals. This high grade nature of the aggregate mix makes the deposits significantly better in quality than the majority of the magnetite projects currently proposed in Western Australia and equivalent to many high grade hematite deposits in Western Australia.

(1) THE APURIMAC PROJECT

Reconnaissance Drilling Programme

The Company has analysed the drilling data and gravity survey results presented by AMEC Consultants (Peru) on reconnaissance drilling conducted in the first 2 (Opaban I and Opaban III) of the 21 concessions that make up the Apurimac Project.



Location of 9 Apurimac Project Concessions in Opaban Area

This drilling programme was undertaken by AMEC in 2005 to commence validation of the 730 million tonnes of high grade iron-ore resource estimated by Takahashi Trading S.A. in 1961 and the Peruvian Ministry of Energy and Mines to exist within the areas covered by the 21 concessions in the Apurimac Project.

Whilst the initial drilling has so far only covered outcropping targets in 2 of the 21 Apurimac Project concessions, the Company is encouraged by the high grade nature and thickness of mineralisation. Other nearby concession areas with significant outcropping mineralisation were not drilled. These provide an early opportunity to expand the resource base. The results to date appear to support the original Takahashi and Peruvian Ministry of Energy and Mines estimates for these concessions and, by extrapolation, for the Apurimac Project as a whole.

The gravity map on page 12 of this report illustrates the width and strike length of the two deposits at Opaban I and Opaban III.

Resource Estimates

From its analysis of the AMEC drilling data in the Opaban I and Opaban III concessions, the Company has previously provided the following resource estimate:

- **A JORC compliant Inferred Resource of 21 million tonnes of 63.1% Fe based on drilling, located on a gravity anomaly, in Opaban III;**
- **A target mineralisation of 210 to 260 million tonnes at Opaban I, based on widely spaced drilling (15 drill holes over a strike distance of 2.2 kilometres); and a gravity anomaly which is of an order of magnitude 10 times larger than that encountered at Opaban III.**

(*It is noted that the potential quantity of the target mineralisation referred to above in relation to Opaban I is conceptual in nature; there has been insufficient exploration to define a JORC compliant Mineral Resource in this concession and it remains to be ascertained if exploration will result in the determination of a Mineral Resource*).

The southern portion of Opaban III and 19 additional concession areas including prominent ones at Los Andes and Cristoforo 22 (near Opaban I) and Pampachiri (located approximately 40 kilometres south of Opaban I) are still to be drilled and analysed. It is expected that these deposits will also continue to be high grade with widths likely to be in excess of 100 metres in a similar manner to those at both Opaban I (between 100 to 500 metres) and Opaban III (average of 200 metres).

The Company also notes that the 21 million tonnes Inferred Resource in Opaban III is of sufficient size and grade to potentially commence a trucking operation of up to one million tonnes of direct shipping ore per year, that could generate short term cash-flow whilst the grades and tonnages of iron-ore in the remaining 26 concessions in both the Apurimac and the Cuzco Projects are being defined.

Iron-ore surface samples from Apurimac Project

The Company is encouraged by the high grade nature and thicknesses of mineralisation in Opaban I and Opaban III. However, additional drilling will be required to gain further confidence and improve the quality of the JORC resource estimate at Opaban III and to determine JORC compliant resource estimates within Opaban I and the other 19 concessions of the Apurimac Project areas.

In addition, no drilling work has yet been undertaken in the Cuzco Project areas (located approximately 160 kilometres east-south east of the Opaban I concession in the Apurimac Project area). The Company has identified that the initial work in the Cuzco Project area should include a detailed gravity survey over existing outcrops and over large known magnetic anomalies prior to drilling.

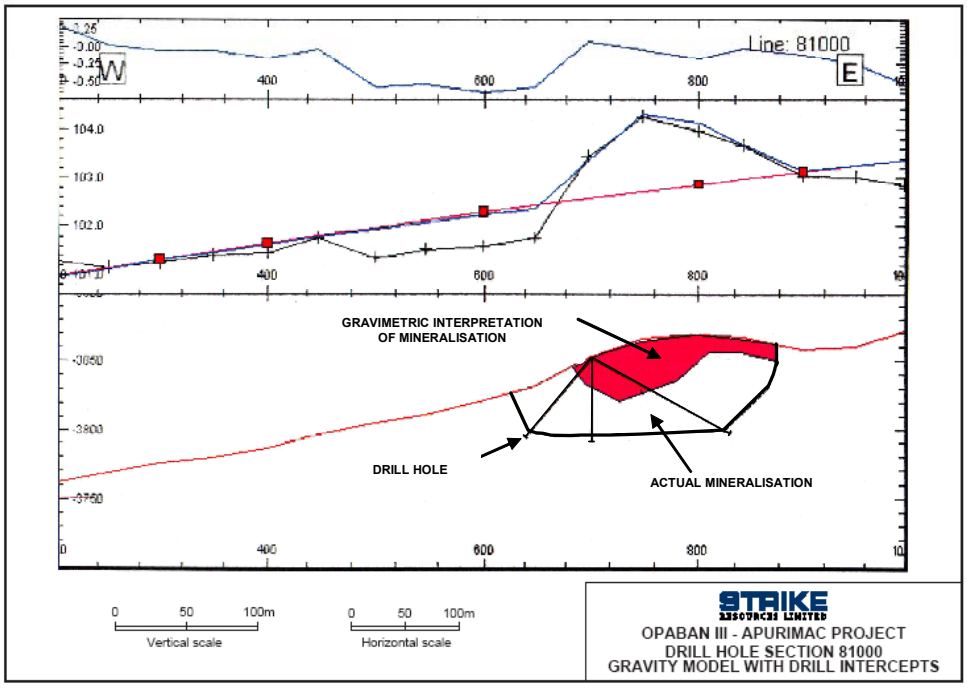
Resource Quality

Drilling to date suggests high-grade magnetite/hematite mineralisation (63.1% Fe at Opaban III and between 51% and 64.4% Fe at Opaban I). The Company notes that deposits containing magnetite and hematite aggregate of such high quality and of this magnitude are limited and found in only a small number of locations throughout the world. Illustratively, various magnetite projects currently promoted in Australia are based on generally lower grades (29 to 36% Fe) magnetite, with iron minerals occurring in extremely fine grained rocks mostly within very hard banded iron formations (BIF) which typically require expensive crushing and beneficiation.

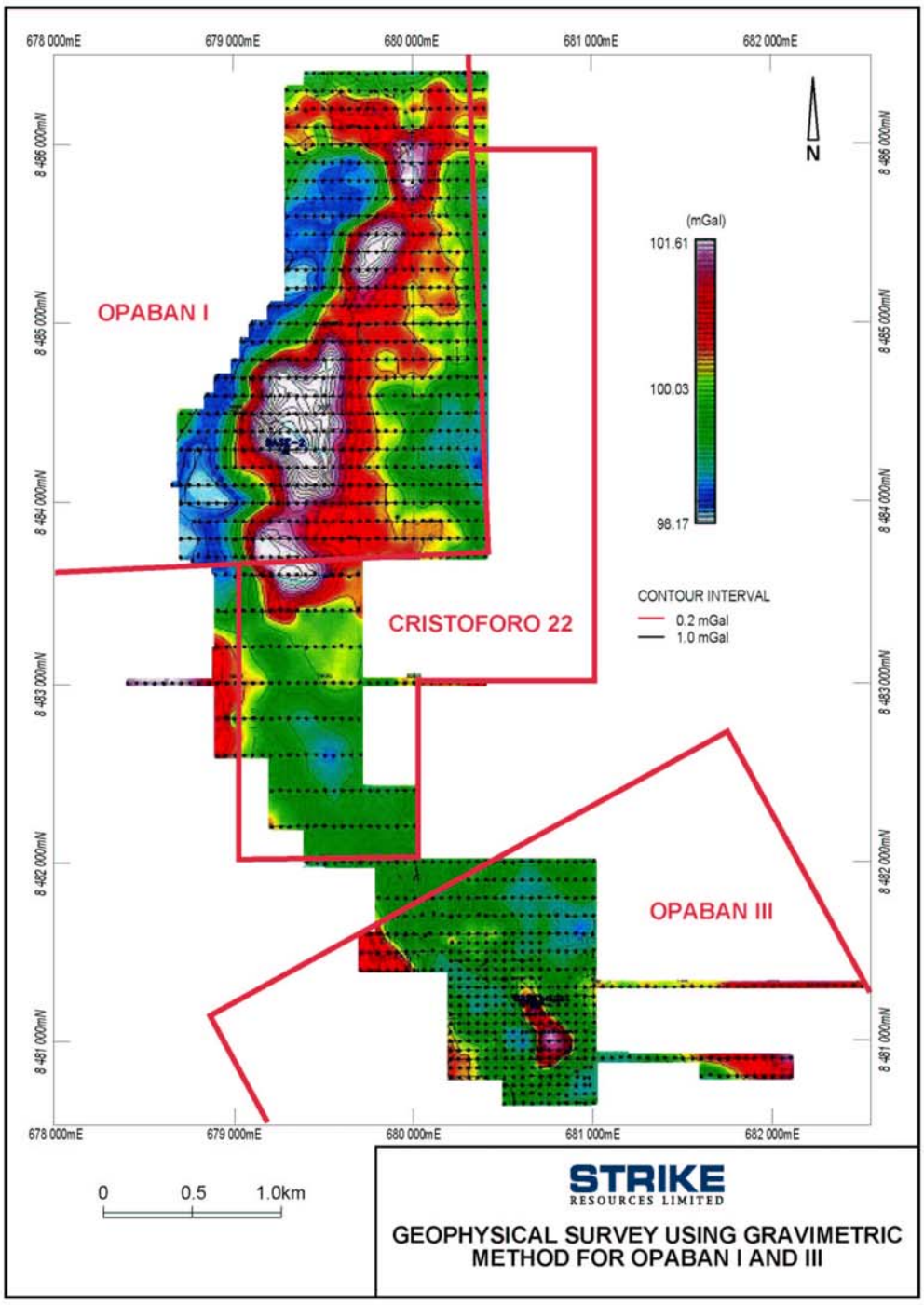
Gravity Survey

The high-grade nature of mineralisation in the Apurimac Project area lends itself to definition in the subsurface through the use of gravity surveys. Accordingly an initial orientation gravity survey was undertaken in Opaban I and Opaban III. The gravity survey included lines spaced east-west 100 metres apart in Opaban I and 50 metres apart in Opaban III with station spacings of 50 metres along the lines, covering parts of Opaban I and III. The gravity data was processed and a map showing the residual gravity was produced. It is shown on the following page.

Subsequent reconnaissance drilling in parts of the two concessions has shown that the gravity mapping picks up the extent of subsurface mineralisation quite well but it also shows that the modelling parameters used by Val D'Or Geofisica who conducted the survey and the subsequent interpretation are conservative and consistently underestimate the thickness and the extent of mineralisation. A cross section from Opaban III, shown below illustrates this. In the cross section the geophysical interpretation of the mineralisation is shown in solid red and the actual mineralisation encountered in drill holes as black outline surrounding the red.



In Opaban I most of the drilling is scattered along the perimeter of the mineralised body defined by residual gravity. In Opaban III the drilling is concentrated around a smaller gravity anomaly at the north-central section of the concession to establish a smaller resource. It is noted that gravity mapping has not been conducted in the southern portion of this concession nor in the adjoining Cristoforo 22 concession.



Residual Gravity Anomaly - Opaban I and Opaban III

Reconnaissance Drilling Results

The reconnaissance drilling has confirmed the presence of high-grade iron-ore to vertical depths of 128 metres and 82.5 metres in the Opaban I and Opaban III concessions respectively. A total of 31 diamond core holes were drilled for a total of 2,667 metres.

Opaban III

At Opaban III, a smaller outcrop area at the north-central section of the concession of approximately 500 x 200 metres was drilled approximately every 100 metres along strike and in a fan pattern across the width of the outcrop with 16 drill holes. The intercepts of continuous mineralisation along the drill holes varied from 22.6 metres to 106.95 metres 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 92.27 metres. The average of all intercepts in this concession including the included waste (intrusive and unmineralised remnants) was reported as 62.29% Fe.

Drill intersections in Opaban III were previously reported in the September 2006 quarterly report. *Average grade for all mineralised intervals (+6.3mm fraction) in this deposit is 63.12%Fe, 2.10% LOI, 0.069%P, 3.98% SiO_2, 1.16% Al_2O_3, and 0.11% S.*

Mapping and drilling suggest that the dimensions of the iron deposit in the north-central section of the concession are approximately 500 x 188 metres. 16 drill holes confirm the quality of the mineralised material and the extent of the deposit. Average thickness of the deposit is estimated at 62.5 metres. Density measurements made by AMEC on mineralised material from Opaban III suggest that the density varies between 3.23 tonnes per cubic metre (t/cum) in the near surface brecciated earthy ore to 4.25 t/cum in high grade massive ore at depth. Based on an average density of 4.0/cum and high grade material representing 90% of the deposit **an Inferred Resource of 21 million tonnes of high grade material averaging greater than 63% Fe is estimated to occur at Opaban III**.

Opaban I

At Opaban I, the larger of the two resources, only 15 holes were drilled at wide spacing essentially to define the perimeter of the mineralisation. Surface outcrops in this deposit are up to 350 metres wide and extend with small gaps, for a strike distance of approximately 2.2 kilometres. The intercepts of continuous mineralisation along the drill holes varied from 29.5 metres to 132.3 metres in length (mostly commencing at or near surface). The iron grades for lump material (+6.3 millimetres) 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 87.9 metres of lump material and the reported average of all lump material intercepts in this concession including the included waste was 55% Fe.

Drill intersections and assay data for Opaban I were previously reported in the September 2006 quarterly report.

(2) THE CUZCO PROJECT

Resource Estimates

The Company has recently completed a review of detailed geophysical work conducted on the Cuzco project area by Val D'or Geofisica, a Peruvian geophysical consultancy earlier this year. This work included detailed ground magnetic survey, limited gravity and Induced Polarisation (**IP**) surveys.

The surveys were completed in part to validate a report on the iron-ore resources within the Cuzco project area published by the Peruvian Ministry of Energy and Mines in December 1974 which suggested the target mineralisation to be of the order of 500Mt with an average grade of 64.96% Fe, 5.06% SiO2, 0.09% P and 0.2% Cu.

From its analysis of the Val D'or Geofisica report, the Company advises that it is has formed a target mineralisation estimate of between 570Mt and 650Mt of high grade iron-ore for the Cuzco Project area.

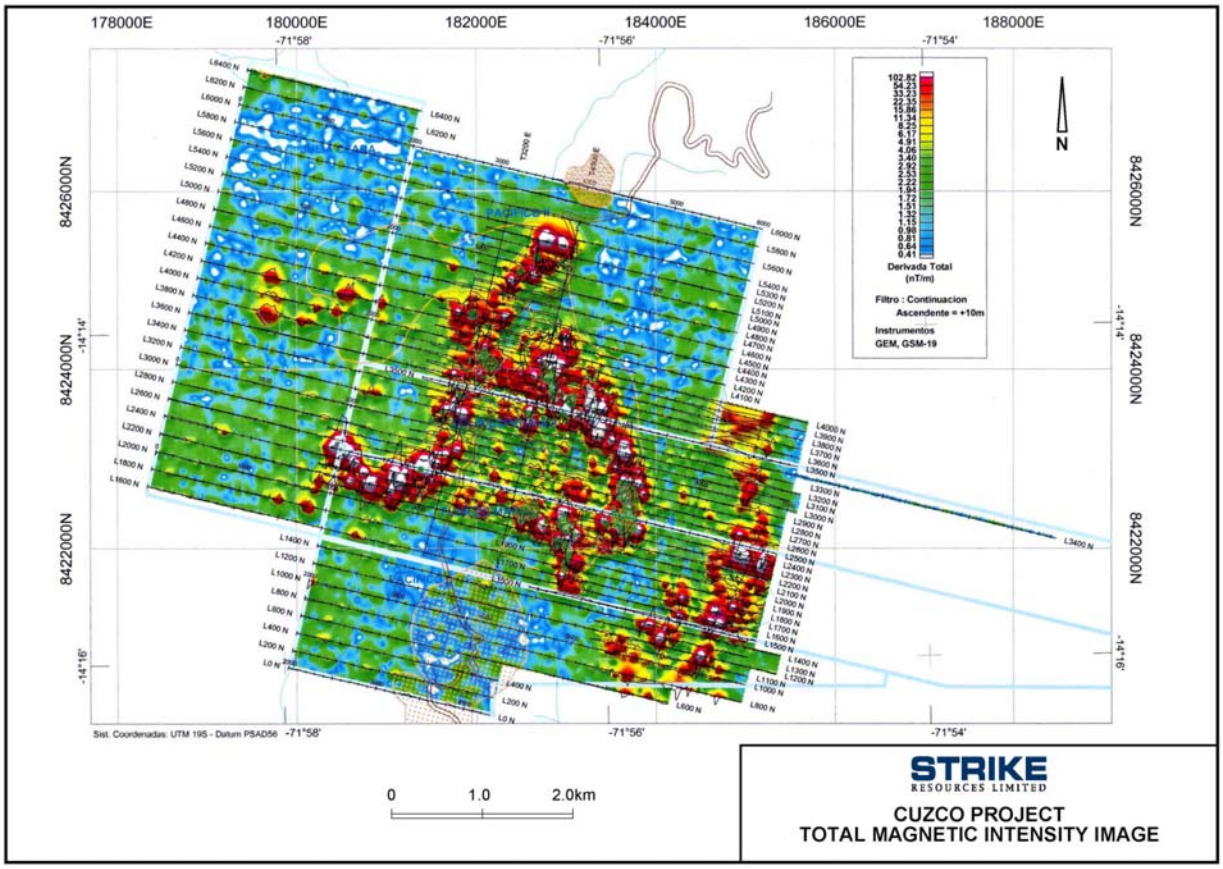
(It is noted however that the potential quantity and grade of the target mineralisations referred to above is conceptual in nature as there has been insufficient exploration to define a JORC compliant Mineral Resource and it remains to be ascertained if exploration will result in the determination of a Mineral Resource.)

Geophysical Surveys

Val D'or Geofisica was engaged by Apurimac Ferrum to conduct geophysical work within the Cuzco project area. This engagement was a continuation of geophysical work previously conducted by Val D'or Geofisica on the Opaban I and Opaban III concessions within the Apurimac project area.

Val D'or Geofisica's geophysical work on the Cuzco project area included a detailed ground magnetic survey together with a limited gravity and IP survey.

Outlined below is an image of the total magnetic intensity as prepared by Val D'or Geofisica.

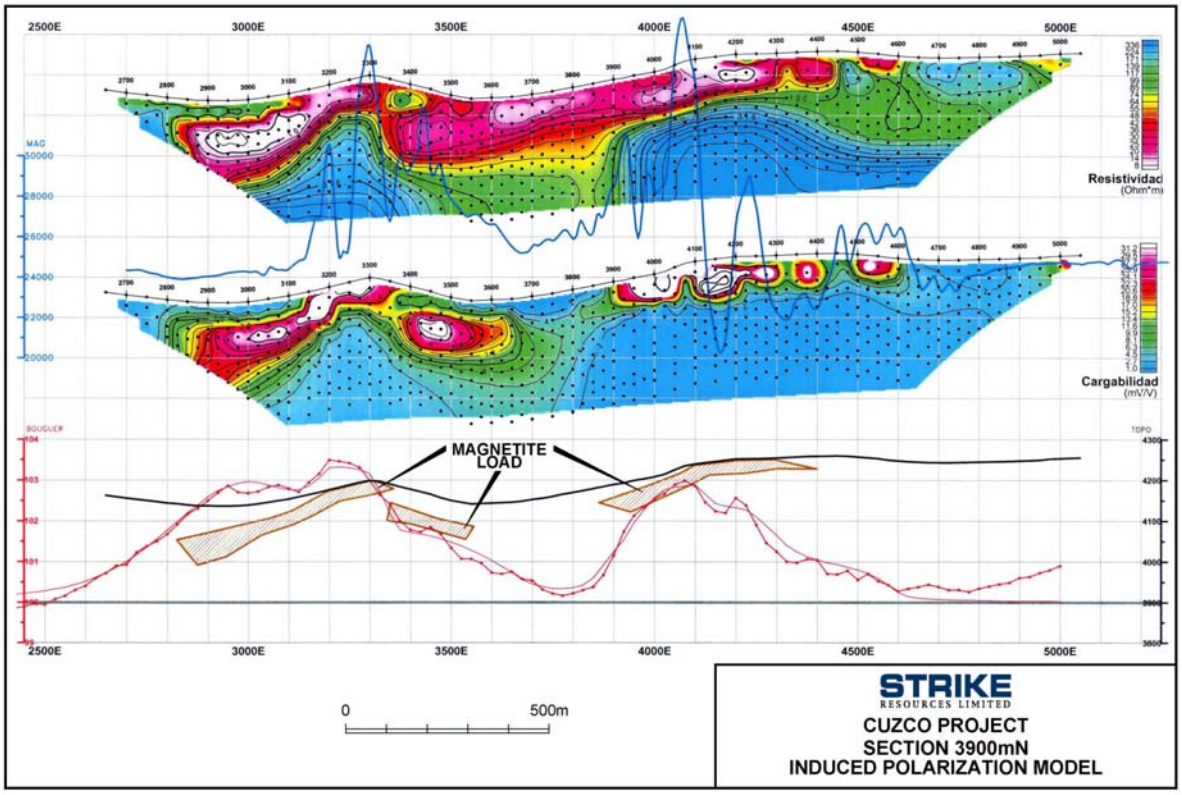


The survey indicates a potential zone of iron mineralisation of approximately 4 km by 4 km appearing as two curvilinear magnetic bodies (orange and red areas) around a small central core.

The radial nature of the deposit is best explained as an uplifted roof pendent of gently dipping mineralised bodies around an intrusive non-magnetic core providing the hydrothermal solutions responsible for the iron ore skarn mineralisation in the limestone.

This zone of mineralisation is also supported by various surface iron outcrops previously inspected by the Company.

Cross sections drawn on the basis of geophysical modelling indicate iron ore bodies are likely to be sub-parallel or gently dipping commencing at or near the surface with potentially low waste to ore ratio.

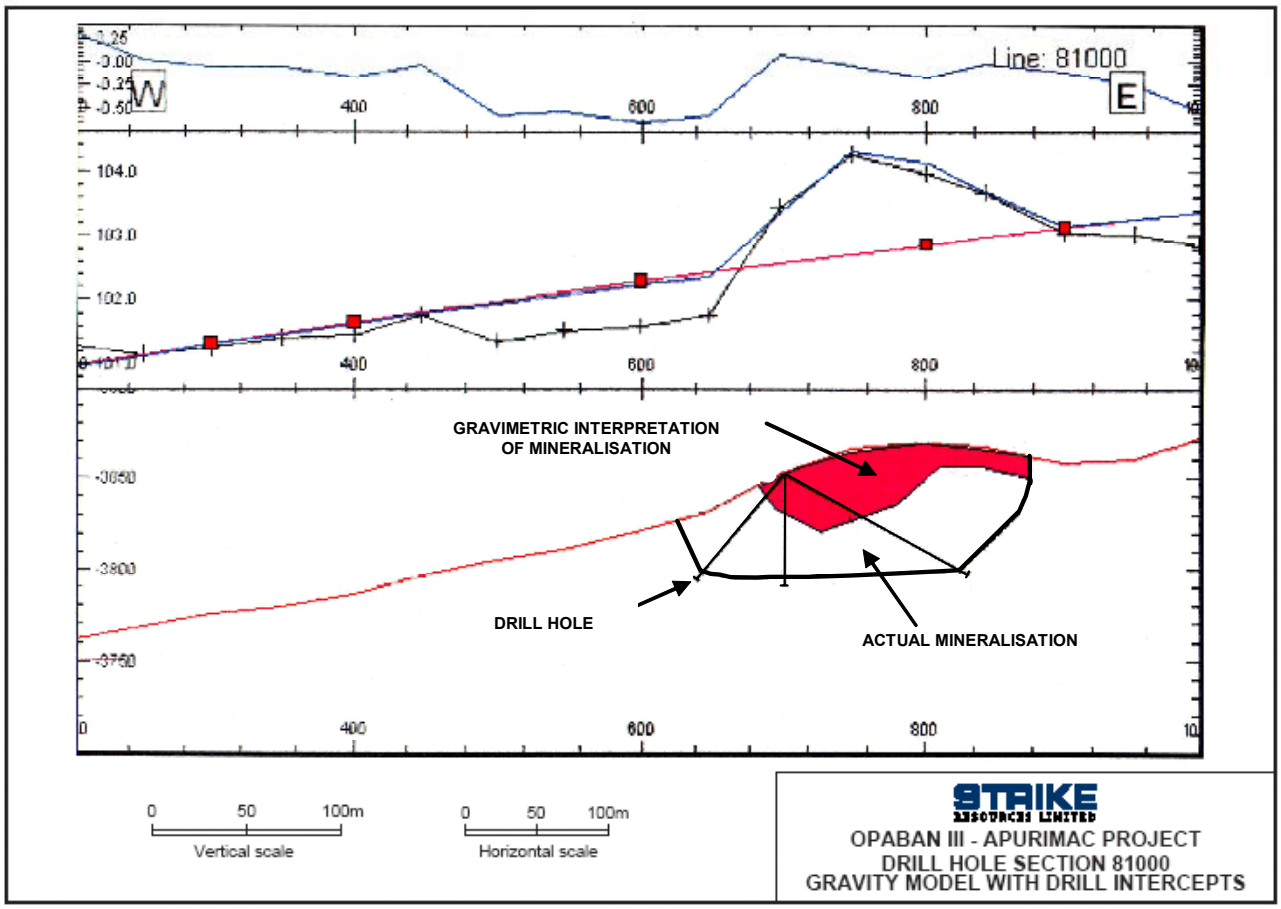


The Company notes that the geophysical modelling by Val D'Or Geofisica on the Cuzco project area estimates a mineralisation depth of between 10 to 60 metres

Val D'or Geofisica has confirmed that the geology of the Opaban concession areas in the Apurimac project and the Cuzco project is similar.

The Company further notes that drilling at Opaban I and Opaban III confirmed the actual mineralisation depth to extend to over 100 metres. However, it may be noted that the geophysical modelling of such iron ore bodies indicated significantly smaller depths essentially on the basis that a higher rock density of 4.5 tonnes per cubic metre (t/cum) was assumed in the modelling exercise whilst the actual rock density of the mineralised zones as measured in drill cores in the Opaban areas averaged between 3.8 and 4.0 t/cum. In addition, the ore bodies were generally wider and deeper than anticipated in the modelling.

The conservative nature of the geophysical modelling is illustrated in a cross section from Opaban III which shows the geophysical interpretation of the mineralisation in solid red and actual high-grade mineralisation intersected in drill holes as a black outline through the drill holes surrounding the solid red area.



Based upon a comparison of the geophysical modelling and actual thicknesses and mass at Opaban I and Opaban III (determined through the previous drilling programme at such concessions conducted by AMEC Consultants in 2005) and the geophysical work on the Cuzco project area conducted by Val D'Or Geofisica in 2006, it is contemplated that the mineralisation depth of between 10-60 metres is conservative and the resource potential for the Cuzco project may be significantly larger than the 570-650 Mt stated above.

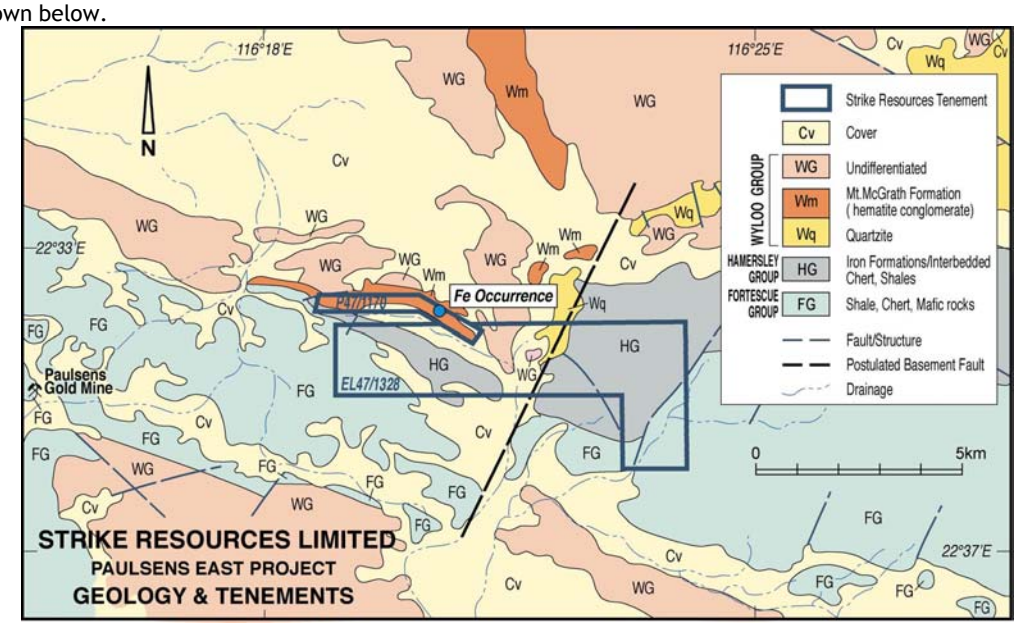
Whilst the Company is pleased with the results of the geophysical work conducted on the Cuzco concessions to date, it notes that no drilling has occurred to confirm either the resource size or the iron grades of such project.

The Company is accordingly moving to confirm this initial work on the Cuzco concessions through the conduct of a detailed gravity survey (which was completed in December 2006 with results pending) followed by drilling (Stages 2 and 3 of Programme of Works above to be completed by the end of the June 2007 quarter).

2. Paulsens East Iron-Ore Project (West Pilbara Region, Western Australia, Australia)

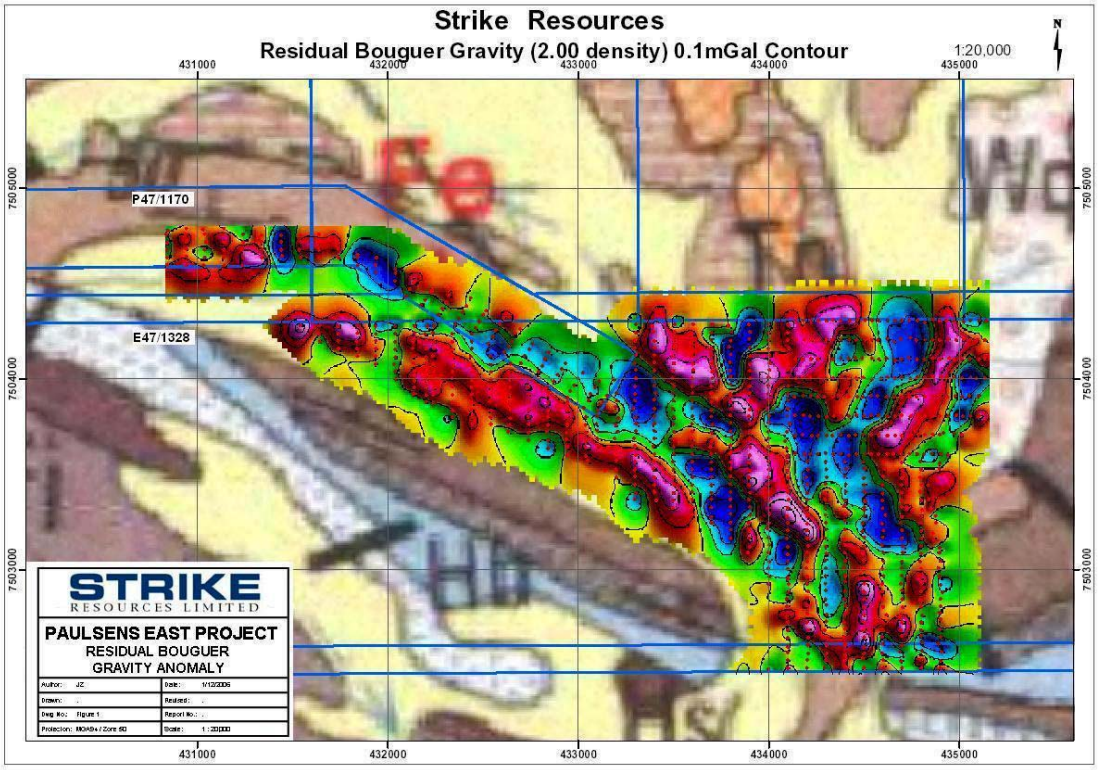
The Paulsens East tenements cover a total area of 19.64 square kilometres. The tenements are located approximately 140 kilometres west of Tom Price (close to bitumised road) and eight kilometers east-northeast of the Paulsens Gold mine in the northwest of Western Australia.

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



The Company recently conducted mapping and sampling at PL 47/1170 which has confirmed the presence of high grade hematite mineralisation. The Company has accordingly just completed a detailed gravity survey covering 3.7 square kilometres of the intervening area covering the plain stretching between two sets of outcrops.

The residual bouguer gravity data is illustrated below:



An 813 metre, eight drill hole RC drilling programme was completed on 11 December 2006. The drilling programme targeted the hematite conglomerate mineralisation occurring along the ridge in PL 47/1170 and EL 47/1328. Analysis of drilling data has not been completed; the Company expects this to be completed within the next ~1-3 weeks.

The Company will conduct analysis of completed RC drilling data and if appropriate determine a programme of further works based on that analysis.

3. Bigryli South Uranium Project (North Territory, Australia)

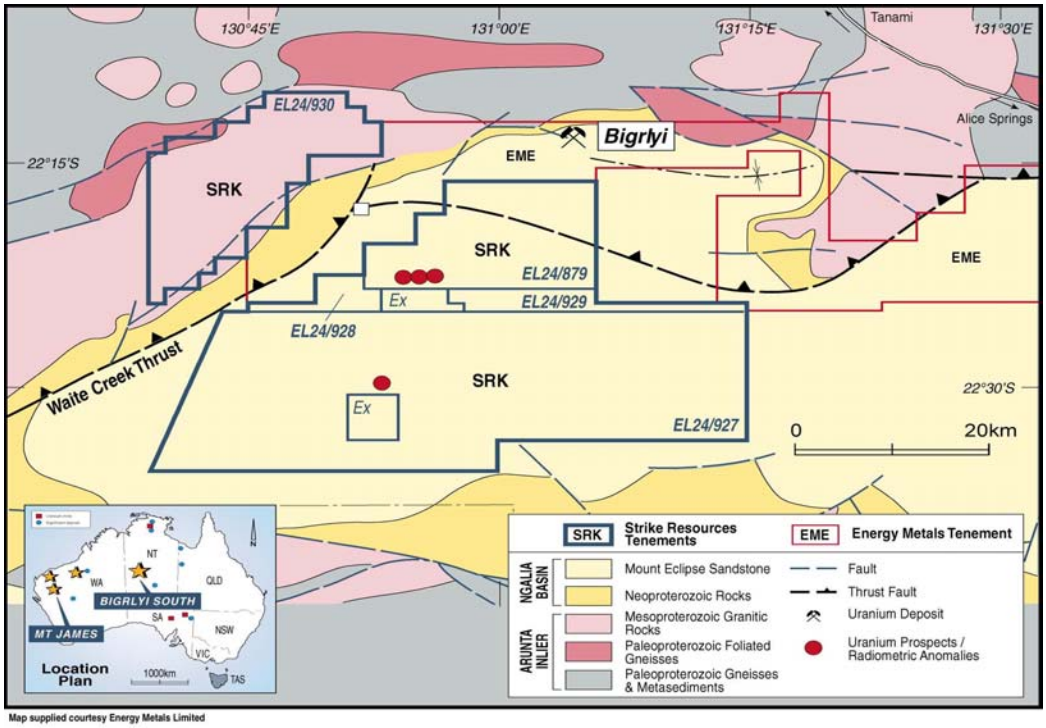
The Company has a 75% interest in 5 exploration tenements located principally in the northern part of the Ngalia Basin in the Northern Territory (located approximately 390 kilometres north-west of Alice Springs). These tenements, having a total area of approximately 1,666 square kilometres, are adjacent 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 U_3O_8 at a cut-off grade of 0.1%[3].

In particular, the Company's key NT uranium tenement (EL 24879) lies approximately 5 kilometres south of EME's Bigrlyi uranium deposit and ELA 24927, EL 24928 and EL 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 EL 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 flowed 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 EL 24879.



Map supplied courtesy Energy Metals Limited

STRIKE RESOURCES LIMITED
BIGRLYI SOUTH URANIUM PROJECT

3 EME market Announcement "JORC Compliant Reporting of Resource Estimate for Bigrlyi" dated 25 July 2006

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.

Three radiometric anomalies are known to occur along the southern margin of the tenement.

The Company's geologists believe that the known thrust fault and fold hinges located in the tenement offer additional opportunities for the discovery of uranium mineralisation.

As announced on 28 November 2006, the Company intends to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on ASX. SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

4. Mt James Uranium Project (Gascoyne Region, Western Australia, Australia)

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.

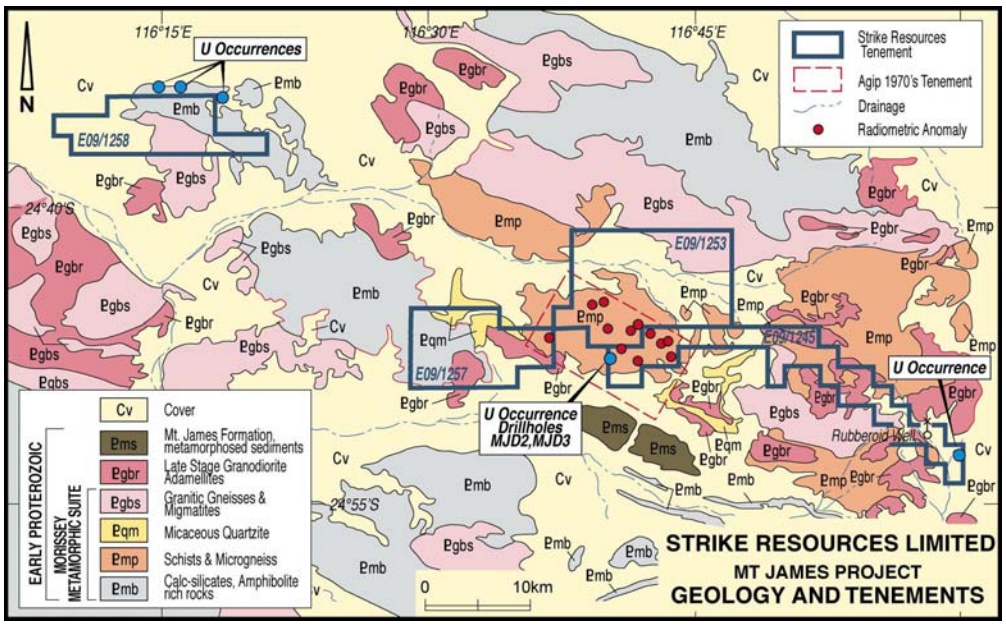
The Company has determined that AGIP conducted significant exploration activity for uranium in the Gascoyne region in the 1970s. This activity included an airborne radiometric survey which identified a number of radiometric anomalies leading to drilling occurring on a number of those anomalies.

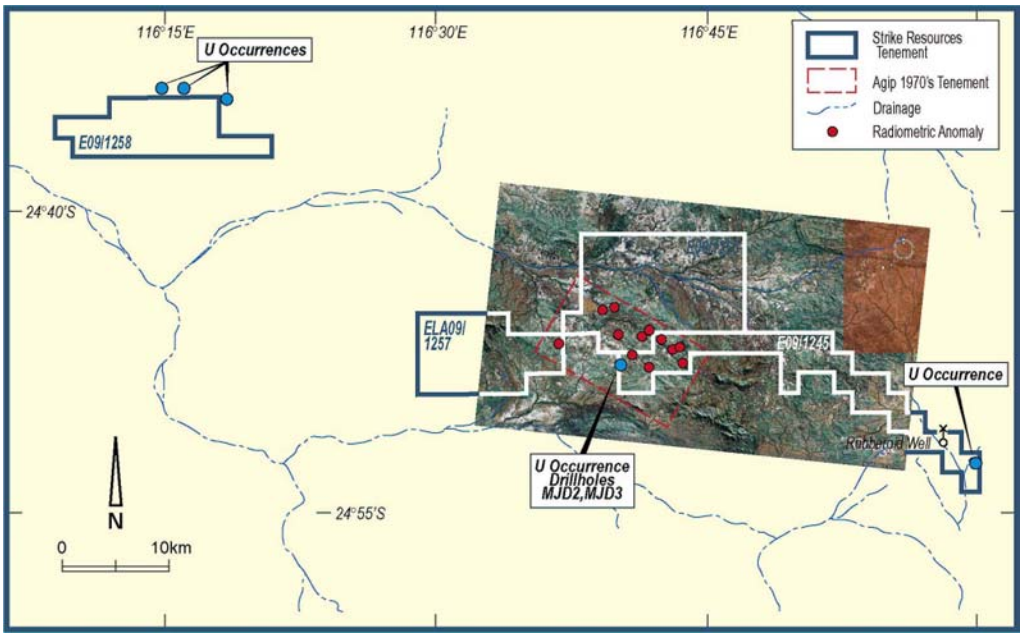
Temporary Reserve TR 5963H was applied for by AGIP and appears to have been the main focus of AGIP's exploration activities in the Gascoyne region during the 1970s. The Company has secured rights to a large portion of the area previously comprising TR 5963H including areas where AGIP conducted trenching 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 $\%U_3O_8$
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) U_3O_8





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 in granitic rocks as well as carnotite mineralisation at shallow depth in the duricrust.

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 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 these tenements offer 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 Company's other tenement interests in the area, EL 09/1257 and EL 09/1258 in the Injinu Hills and the Mortimer Hills areas, southwest and west respectively from EL 09/1253 and EL 09/1245 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.

As announced on 28 November 2006, the Company intends to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on ASX. SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

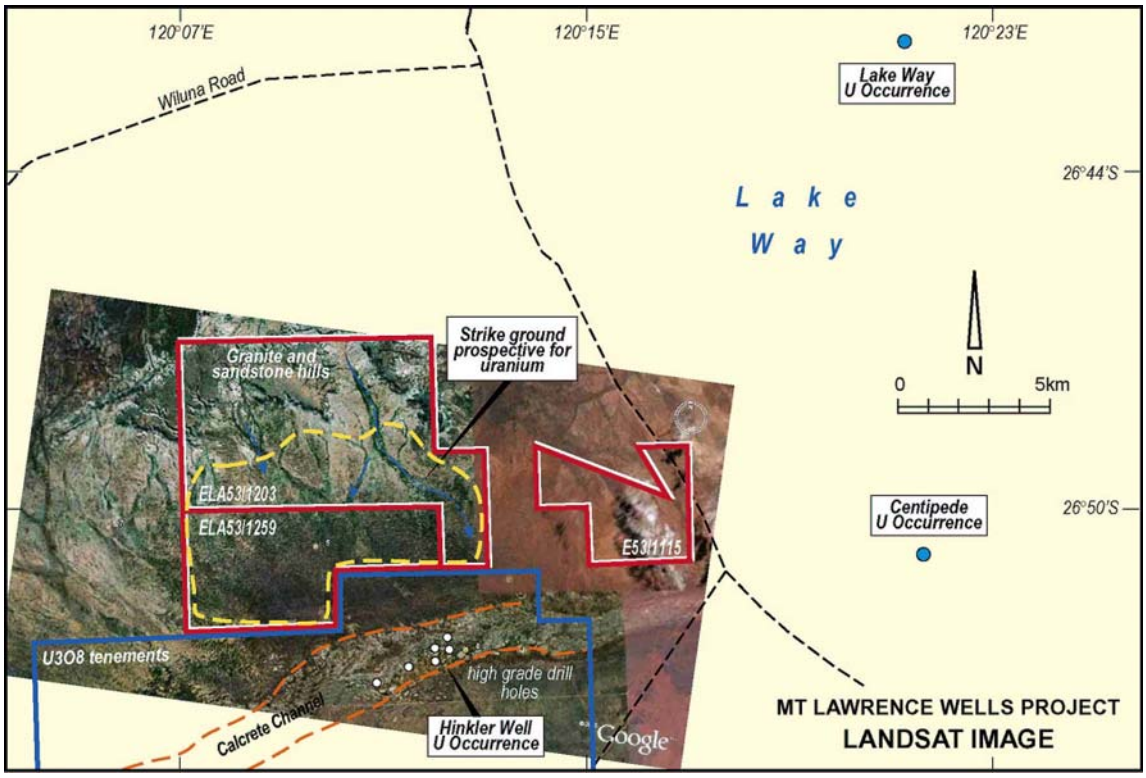
5. Mt Lawrence Wells Uranium Project (East Murchison Region, Western Australia, Australia)

These exploration licences are located 25 kilometres 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 approximately 20 kilometres. 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 the Company's tenements.

The Company believes the granite and the Proterozoic sandstone hills that drain into Hinkler Well palaeo channel and are situated in EL 53/1203 and ELA 53/1259, are the source for uranium mineralisation in the Hinkler Well deposit.

The Company owns 100% of two contiguous tenements north of the Hinkler Well deposit (EL 53/1203 and ELA 53/1259) and is earning an 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 a JORC Inferred Mineral Resource of 8.51 million tonnes of ore at 0.054% U_3O_8 or 4,600 tonnes of contained U_3O_8.[4]

As announced on 28 November 2006, the Company intends to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on ASX. SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

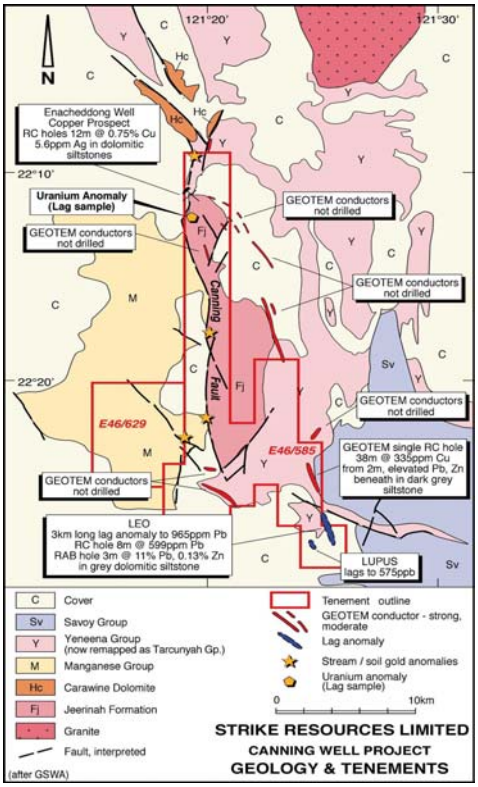
4 Nova Energy Limited (NEL) Market Announcement "JORC Compliant Inferred Resource Upgraded to 9,000 U_3O_8" dated 23 March 2006

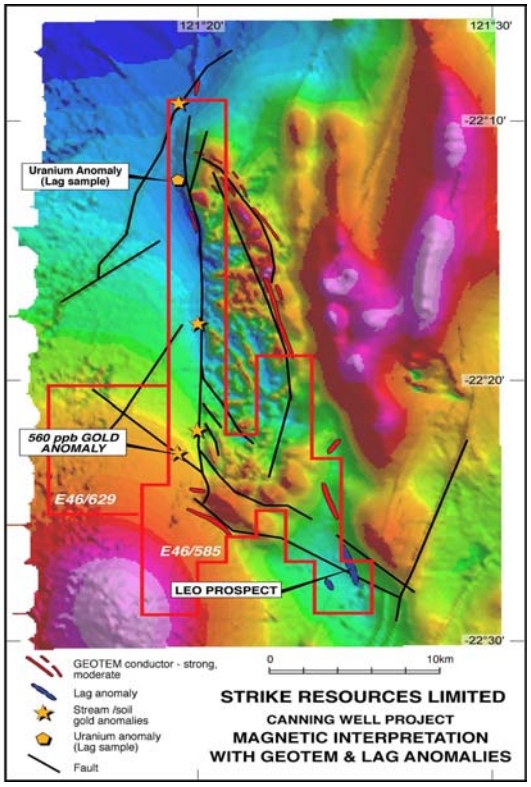
6. Canning Well Uranium and Gold Project (Pilbara Region, Western Australia, Australia)

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 80 kilometres west of the Kintyre uranium deposit and covers approximately 20 kilometres 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.

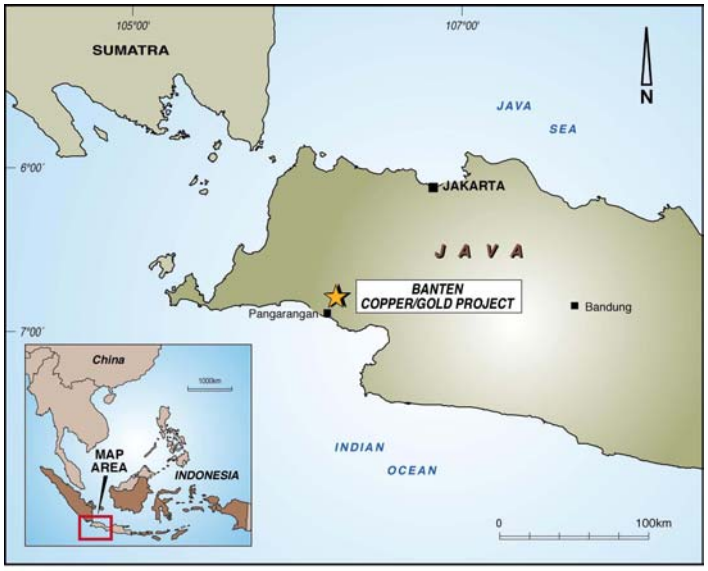
As announced on 28 November 2006, the Company intends to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on ASX. SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

7. Banten Copper/Gold Project (West Java, Indonesia)

The total area of the concession is 5,601 hectares. It is located approximately 100 kilometres south-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 epithermal gold vein targets and potential for gold stock work systems in the Eocene Bayah Formation and Oligocene granodiorite. In parts of the concession area from where the gold system has been largely eroded, the underlying granodiorite offers a target for porphyry copper mineralisation. In addition, in the overlying Chikoto Formation, volcanic tuffs and breccias may contain rich pods of hydrothermal lead and zinc mineralisation.

During a recent mapping programme the Company's 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.



STRIKE RESOURCES LIMITED
WEST JAVA BANTEN COPPER/GOLD PROJECT
LOCATION PLAN

The Company conducted reconnaissance survey and sampling programmes in the concession area during the reporting period. The result of such programmes has shown that the previously reported historical rock chip sampling is repeated during the current sampling programme.

A total of 59 samples were analysed, with anomalous results illustrated in the table below. Based upon these and historical sample results, three anomalous zones have been identified for further follow up investigation. This will comprise geochemical and geophysical exploration programmes.

A summary of the recently conducted sampling programme is outlined below:

SAMPLE	Au ppm	Ag ppm	Pb %	Zn %
003-R			2.8	3.58
006-R	3.36			
007-R	3.92			
011-R	1.06			
013-R	2.15	63		
018-R	6.83	1260		
020-R	2.61	302		
021-R	1.76	69		
023-R	3.07	80		
029-R			1.03	1.47
030-R			1.8	7.8
041-R	12.3	283		
045-R		106	2.71	10.2
046-R	1.3	80		2.18
047-R	15.3	185		
048-R	1.21	125		
052-R	6.45			
053-R				1.45
065-S/C	2.82	72		

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 Copper/Gold Project**).

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 profit sharing obligations to Suda Miskin:

(a) Staged cash payments totalling US$50,000 over an 18 month period; and

(b) A 19% share of after tax net profits from production.

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.

1. RECENT CAPITAL RAISINGS

On 24 October 2006, the Company was pleased to announce the completion of a $3 million share placement to institutional, professional and sophisticated investors.

The Company had also determined to allow current shareholders the opportunity to also subscribe for shares at the same price ($1.30 per share) through a Share Purchase Plan (**SPP**).

Under the SPP, shareholders registered as at 7 November 2006 (the **Record Date**) were eligible to apply for either $1,000, $3,000 or $5,000 of shares at an issue price of $1.30 per share.

The SPP closed 21 November 2006 raising $7.4 million.

The Directors were pleased with the level of shareholder interest in the SPP with participation by ~55% of shareholders and an average application close to the maximum limit of $5,000.

The $10.4 million funds raised from the above placement and SPP have secured the Company's ability to accelerate its investment commitments in relation to the Apurimac and Cuzco Iron-Ore Projects in Peru (which is a total investment of US$6.5 million over 5 years; a minimum of US$1.5 million within the first 12 months).

2. INTENTION TO SPIN-OFF URANIUM ASSETS

On 28 November 2006, the Company announced that it intended to spin-off its uranium assets in the Northern Territory and Western Australia into a new vehicle - which it is proposed will conduct an IPO capital raising and seek a listing on ASX.

SRK is currently considering its options in relation to this proposed spin-off and will advise the market when it has concluded a transaction path in this regard.

Upon the successful completion of its uranium asset spin-off, SRK will focus on its iron-ore assets in Peru (Apurimac and Cuzco Projects) and Western Australia (Paulsens East Project).

SRK intends to retain a majority of the shares in the new uranium vehicle and will offer SRK shareholders a priority entitlement to a substantial portion of the new uranium vehicle's IPO shares.

SRK will manage its retained stake in the new uranium vehicle for the benefit of all SRK shareholders.

A suitably qualified Board of Directors is envisaged for the new uranium vehicle, the composition of which is likely to include some SRK Directors, post IPO.

SRK's uranium assets comprise an interest in the following projects:

(i) Bigrlyi South (Northern Territory)
(75% in Exploration Licences 24879, 24928, 24929 and 24930 and application for EL 24927)

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 U_3O_8 at a cut-off grade of 0.1%[5].

5 EME market Announcement "JORC Compliant Reporting of Resource Estimate for Bigrlyi" dated 25 July 2006

(ii) Mt James (Gascoyne, Western Australia)
(75% in EL 09/1253; 70% in EL 09/1245 and 100% in EL 09/1257 and EL 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. EL 09/1257 and EL 09/1258 in the Injinu Hills and the Mortimer Hills areas, southwest and west respectively from EL 09/1253 and EL 09/1245 are covered with large areas of duricrust and known to host near surface uranium mineralisation as carnotite within adjacent ground.

(III) Mt Lawrence Wells (East Murchison, Western Australia)
(85% in EL 53/1115; 100% in EL 53/1203 and ELA 53/1259)

These exploration licences are located 25 kilometres 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 approximately 20 kilometres. 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 the Company's tenements. The Company owns 100% of two contiguous tenements north of the Hinkler Well deposit (EL 53/1203 and ELA 53/1259) and is earning an 85% interest in another (EL 53/1115).

(iv) Canning Well (Pilbara, Western Australia)
(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, 75% of an 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 80 kilometres west of the Kintyre uranium deposit and covers approximately 20 kilometres 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.

Hume Mining NL (a subsidiary of listed investment company, Orion Equities Limited (**OEQ**)), retains a 25% interest in certain of the above uranium tenements. Hume Mining NL has evinced an intention to participate in the spin-off to the extent of the retained interest in SRK's uranium assets such that the new uranium vehicle will have a 100% interest in the relevant tenements.

3. SUMMARY OF CAPITAL CHANGES

A summary of capital changes since 30 September 2006 is as follows:

Date	Description	Issue Price	No. Shares	Value of Issue	Running Balance of Issued Share Capital	Running Balance of Issued Listed Options
30/06/2006	Balance				47,835,701	23,369,141
31/09/2006	Balance				48,392,558	22,812,284
6/10/2006	Conversion of options	$0.20	24,370	$4,874.00	48,416,928	22,787,914
10/10/2006	Conversion of options	$0.20	30,334	$6,066.80	48,447,262	22,757,580
13/10/2006	Conversion of options	$0.20	25,834	$5,166.80	48,473,096	22,731,746
16/10/2006	Conversion of options	$0.20	76,001	$15,200.20	48,549,097	22,655,745
19/10/2006	Conversion of options	$0.20	115,500	$23,100.00	48,664,597	22,540,245
24/10/2006	Conversion of options	$0.20	139,168	$27,833.60	48,803,765	22,401,077
27/10/2006	Conversion of options	$0.20	20,000	$4,000.00	48,823,765	22,381,077
30/10/2006	Share placement	$1.30	1,633,693	2,123,800.90	50,457,458	22,381,077
31/10/2006	Conversion of options	$0.20	106,000	$21,200.00	50,563,458	22,275,077
31/10/2006	Share placement	$1.30	599,000	$776,700.00	51,162,458	22,275,077
1/11/2006	Conversion of options	$0.20	563,266	$112,653.20	51,725,724	21,711,811
2/11/2006	Share placement	$1.30	75,000	$97,500.00	51,800,724	21,711,811
2/11/2006	Conversion of options	$0.20	167,635	$33,527.00	51,968,359	21,544,176
3/11/2006	Conversion of options	$0.20	104,171	$20,834.20	52,072,530	21,440,005
3/11/2006	Conversion of options	$0.20	8,000	$1,600.00	52,080,530	21,432,005
3/11/2006	Conversion of options	$0.20	18,167	$3,633.40	52,098,697	21,413,838
7/11/2006	Reversal of options	$0.20	(50,000)	-$10,000.00	52,048,697	21,463,838
7/11/2006	Conversion of options	$0.20	504,977	$100,995.40	52,553,674	20,958,861
8/11/2006	Conversion of options	$0.20	129,563	$25,912.60	52,683,237	20,829,298
10/11/2006	Conversion of options	$0.20	40,000	$8,000.00	52,723,237	20,789,298
21/11/2006	Conversion of options	$0.20	4,667	$933.40	52,727,904	20,784,631
24/11/2006	Conversion of options	$0.20	20,834	$4,166.80	52,748,738	20,763,797
27/11/2006	SPP Allotment	$1.30	5,706,631	$7,419,000	58,455,369	20,763,797
30/11/2006	Conversion of options	$0.20	667	$133.40	58,456,036	20,763,130
6/12/2006	Conversion of options	$0.20	95,000	$19,000.00	58,551,036	20,668,130
8/12/2006	Conversion of options	$0.20	24,000	$4,800.00	58,575,036	20,644,130

Date	Description	Issue Price	No. Shares	Value of Issue	Running Balance of Issued Share Capital	Running Balance of Issued Listed Options
12/12/2006	Conversion of options	$0.20	159,000	$31,800.00	58,734,036	20,485,130
20/12/2006	Conversion of options	$0.20	20,834	$4,166.80	58,754,870	20,464,296
20/12/2006	Conversion of options	$0.20	80,000	$16,000.00	58,834,870	20,384,296
31/12/2006	Balance				58,834,870	20,384,296
3/01/2007	Conversion of options	$0.20	116,684	$23,336.80	58,951,554	20,267,612
5/01/2007	Conversion of options	$0.20	10,060	$2,012.00	58,961,614	20,257,552
10/01/2007	Conversion of options	$0.20	56,974	$11,394.80	59,018,588	20,200,578
12/01/2007	Conversion of options	$0.20	75,200	$15,040.00	59,093,788	20,125,378
18/01/2007	Conversion of options	$0.20	3,300	$660.00	59,097,088	20,122,078
22/01/2007	Conversion of options	$0.20	834	$166.80	59,097,922	20,121,244
23/01/2007	Conversion of options	$0.20	31,550	$6,310.00	59,129,472	20,089,694
25/01/2007	Conversion of options	$0.20	59,435	$11,887.00	59,188,907	20,030,259

3. OPTIONS

(a) Listed Options (ASX CODE: SRKO)

During the quarter ending 31 December 2006, 2,427,988 listed $0.20 (30 June 2008) options were exercised and converted into shares (as described in the above table), raising a total of $485,597.60.

(b) Directors' Options

The Company has agreed to issue to Professor Malcolm Richmond, who joined the Board as Non-Executive Director on 25 October 2006, 500,000 options at the an exercise price of $2.10 each and with the same 5 year term and vesting periods (and otherwise on the same terms as) the current directors' options on issue.

This $2.10 exercise price was determined based on 133% of the volume weighted average price (**VWAP**) of SRK shares on ASX in the 5 trading days after the closing date of the Company's Share Purchase Plan announced on 24 October 2006. At the time of his appointment, the Company agreed to issue options to Professor Richmond on such terms, subject to shareholder approval – which will be sought at a general meeting convened for 6 March 2007.

At this general meeting, shareholder approval will also be sought for the Company to issue a total of 3,300,000 options to the following Directors:

(1) John Francis Stephenson – 350,000 options;

(2) Hem Shanker Madan – 950,000 options;

(3) Farooq Khan – 700,000 options;

(4) Victor Poh Hong Ho – 350,000 options

(5) William Mathew Johnson – 350,000 options; and

(6) Malcolm Ross Richmond – 600,000 options.

Each option will entitle a Director to subscribe for one ordinary share in the Company at an exercise price equal to the greater of $2.60 or 133% of the VWAP of the Company's shares on ASX in the 5 trading days leading up to (and excluding) the issue date (rounded down to the nearest whole cent); each option is exercisable at any time on or before 5 years from the date of issue (subject to 30% of the options being unable to be exercised until 12 months from the date of issue and 40% of the options being unable to be exercised until 24 months from the date of issue).

The terms and conditions of the above proposed option issues to Directors are set out in the Explanatory Statement accompanying a Notice of Meeting dated 24 January 2007 and released on ASX on 31 January 2007.

(C) Employee Options

On 6 October 2006, the Company granted 150,000 $1.20 (6 October 2011) Unlisted Employee Options, on the following terms, including:

1. at an exercise price of $1.20;
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) one-third (50,000) of the options will vest on 6 March 2007 (which options may therefore be exercised at any time prior to the Option Expiry Date);
   (b) one-third (50,000) of the options will vest on 6 March 2008 (which options may therefore be exercised at any time thereafter and prior to the Option Expiry Date); and
   (c) one-third (50,000) of the options will vest on 6 March 2009 (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 Appendix 3B New Issue announcement dated 13 October 2006.

At the 6 March 2007 general meeting referred to above, shareholder approval will also be sought for the ratification of such issue to the Company's Senior Exploration Geologist, Mr Jerko Zuvela.

AUSTRALIAN TENEMENT SCHEDULE

as at 25 January 2007

Project	Status	Application No	Grant / Application Date	Expiry Date	Area (Blocks)	Area (km^2)	Location / Property Name	State	Company's Interest
Bigrlyi South	Granted	EL 24879	15/08/06	14/08/12	82	260	Mount Doreen	NT	75%
	Application	EL 24927	12/09/05	N/A	338	999	Haasts Bluff	NT	75%
	Granted	EL 24928	24/08/06	23/08/12	15	35.	Mount Doreen	NT	75%
	Granted	EL 24929	24/08/06	23/08/12	26	56	Mount Doreen	NT	75%
	Granted	EL 24930	24/08/06	23/08/12	99	314	Mount Doreen	NT	75%
Mt James (Gascoyne Region)	Granted	EL 09/1253	29/06/06	28/06/11	49	147	Mt James	WA	75%
	Granted	EL 09/1245	23/03/06	22/03/11	35	105	Rubberoid Well	WA	70%
	Granted	EL 09/1257	28/06/06	27/06/11	27	81	Injinu Hills	WA	100%
	Granted	EL 09/1258	29/09/06	28/09/11	26	78	Mortimer Hills	WA	100%
Paulsen East (West Pilbara Region)	Granted	EL 47/1328	05/10/06	04/10/11	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	20/07/06	N/A	8	24	Millgool Camp	WA	100%
	Granted	EL 53/1203	02/08/06	01/08/11	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)
Angela	Application	ELA 25862	07/12/06	N/A	12	38	Alice Springs	NT	75%

BOARD OF DIRECTORS

During the quarter (25 October 2006), the Board appointed Professor Malcolm Richmond as a Non-Executive Director.

The experience and qualifications of current directors are as follows:

John Stephenson	—	**Non-Executive Chairman**
Appointed	—	26 October 2005
Qualifications	—	BSc (honours) in Geology from the University of London through the former University College of Rhodesia and a PhD in Geology from the University of Manitoba, Canada.
Experience	—	Dr Stephenson is a highly experienced geologist with over 35 years experience in the mining sector. He has held senior positions in large mining companies, most recently as Exploration Director for Rio Tinto Australasia where he led Rio Tinto's exploration activities for five and a half years based in Perth. Dr Stephenson has also during his career led and managed exploration teams for both junior and major mining companies in several parts of the world, mainly in Southern and East Africa, North America and Australia exploring for gold, uranium, diamonds and base metals. He has also been involved with projects in Europe, South America and India. He led teams responsible for the discovery of a world class diamond deposit, the Diavik diamond mine in Canada's Northwest Territories and a high grade gold deposit, the former Golden Patricia gold mine in Ontario. Dr Stephenson has particular experience in the uranium sector having in the early to mid 1970's led reconnaissance airborne and ground surveys for uranium in Canada. Between 1978-1981, Dr Stephenson headed the ground follow-up of a country-wide airborne radiometric and magnetic survey for uranium and other minerals in Tanzania. In the early 90's Dr Stephenson led exploration for a subsidiary of Rio Tinto exploring for uranium and base metals in eastern Canada. Dr Stephenson also led Rio Tinto's exploration activities in Australia in the late 90's which included the search for uranium.
Relevant interest in securities	—	Shares – 50,000 Listed $0.20 (30 June 2008) options – 148,000 Unlisted $0.96 (21 July 2011) directors' options – 800,000
Other current directorships in listed entities	—	None

H. Shanker Madan	—	**Managing Director**
Appointed	—	26 September 2005
Qualifications	—	Honours and Masters Science degrees in Applied Geology
Experience	—	Mr Madan has had world-wide experience in the exploration and evaluation of mineral deposits for various commodities. Mr Madan has been a Manager with Hamersley Iron, Group Leader with BHP Minerals, Chief Geologist with Hancock and Wright Prospecting and a Senior Geological Consultant to the Rio Tinto Group. Mr Madan has managed a range of mineral evaluation studies in Iran, Brazil and Western Australia for BHP, Rio Tinto and Hamersley Iron. He has also acted as a consultant to Rio Tinto, Ashton Mining and others on mineral projects in Brazil, South Africa, India, the Philippines, Fiji and United States, working on a range of iron-ore, diamonds, gold, copper and chromite deposits. He has been involved in the discovery of 3 world class iron deposits in Western Australia for TexasGulf and BHP Minerals. From 1997 to 2001, Mr Madan managed the evaluation of resource projects for Hamersley Iron and more recently completed a resource due diligence study of the billion-dollar West Angelas project in the Pilbara region of Western Australia.
Relevant interest in securities	—	Shares - 337,179 Listed $0.20 (30 June 2008) options – 166,667 Unlisted $0.96 (21 July 2011) directors' options – 1,800,000
Other current directorships in listed entities	—	None

BOARD OF DIRECTORS

Farooq Khan	—	**Executive Director**
Appointed	—	9 September 1999
Qualifications	—	BJuris , LLB. (*Western Australia*)
Experience	—	Mr Khan is a qualified lawyer having previously practiced principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and particularly capital raisings, mergers and acquisitions and investments. Mr Khan has also led the executive management of a number of ASX listed companies through their establishment and growth
Relevant interest in securities	—	Shares - 353,340 (directly) and 2,380,996(indirectly[6]) Listed $0.20 (30 June 2008) options – 166,670 (directly) and 1,014,806 (indirectly[6]) Unlisted $0.20 (9 February 2011) options – 1,833,333 (indirectly[7]) Unlisted $0.30 (9 February 2011) options - 1,666,667 (indirectly[7]) Unlisted $0.96 (21 July 2011) directors' options – 1,400,000 (directly)
Other current directorships in listed entities	—	Current Chairman and Managing Director of: (1) Queste Communications Ltd (since 10 March 1998) Current Chairman of: (2) Orion Equities Limited (OEQ) (since 23 October 2006) (3) Bentley International Limited (BEL) (director since 2 December 2003) (4) Scarborough Equities Limited (SCB) (since 29 November 2004)

Malcolm Richmond	—	**Non-Executive Director**
Appointed	—	25 October 2006
Qualifications	—	B. Science Hons (Metallurgy) and B. Commerce Merit (Econs) (*New South Wales*)
Experience	—	Professor Richmond has 30 years experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions, Managing Director, Research and Technology, Managing Director Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Limited. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Professor Richmond also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. Professor Richmond is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. He is currently a Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia, and a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
Relevant interest in securities	—	Shares - 100,000 (indirectly)
Other current directorships in listed entities	—	Non-Executive Director of: (1) Magnesium International Limited (MGK) (since August 2001) (2) Structural Monitoring Systems Plc (SMN) (since 17 October 2006) (3) Safe Effect Technologies Limited (SAF) (since 28 August 2006)

6. 710,483 shares by Orion Equities Limited (**OEQ**) and 1,670,513 shares held by Hume Mining NL (**Hume**) (a subsidiary of OEQ); Queste Communications Limited (**QUE**) is deemed to be a controlling shareholder of OEQ; Mr Farooq Khan (and associated companies) is deemed to have a deemed relevant interest in the securities in which QUE has a relevant interest, by reason of having >20% voting power in QUE.

7. Held by Hume

BOARD OF DIRECTORS

William M. Johnson	—	**Non-Executive Director**
Appointed	—	14 July 2006
Qualifications	—	MA (Oxon), MBA
Experience	—	Mr Johnson commenced his career in resource exploration and has most recently held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Mr Johnson brings a considerable depth of experience in business strategy, investment analysis, finance and execution. Mr Johnson is a director of Orion Equities Limited, a significant shareholder in Strike Resources Limited.
Relevant interest in securities	—	Shares – 2,769 Listed $0.20 (30 June 2008) options – 86,000 Unlisted $0.96 (13 September 2011) directors' options – 500,000
Other current directorships in listed entities	—	Current Director of: (1) Orion Equities Limited (OEQ) (since 28 February 2003) (2) Scarborough Equities Limited (SCB) (since 29 November 2004) (3) Drillsearch Energy Limited (DLS) (since 23 October 2006) (4) Sofcom Limited (SOF) (since 18 October 2005)

Victor P. H. Ho	—	**Executive Director and Company Secretary**
Appointed	—	Secretary since 9 March 2000 and Director since 12 October 2000
Qualifications	—	BCom, LLB (*Western Australia*)
Experience	—	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations.
Relevant interest in securities	—	Shares - 16,667 Listed $0.20 (30 June 2008) options – 184,334 Unlisted $0.96 (21 July 2011) directors' options – 600,000
Other positions held in listed entities	—	Current Executive Director and Company Secretary of: (1) Orion Equities Limited (OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Sofcom Limited (SOF) (Director since 3 July 2002 and Secretary since 23 July 2003) Current Company Secretary of: (3) Queste Communications Ltd (QUE) (since 30 August 2000) (4) Bentley International Limited (BEL) (since 5 February 2004) (5) Scarborough Equities Limited (SCB) (since 29 November 2004)

SECURITIES INFORMATION
as at 31 December 2006

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	392	176,572	0.30%
1,001	-	5,000	1,355	4,945,347	8.41%
5,001	-	10,000	318	2,441,427	4.15%
10,001	-	100,000	547	16,870,444	28.67%
100,001	-	and over	77	34,401,080	58.47%
Total			2,689	58,834,870	0.99998%

TOP 20 LISTED ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholders	Total Shares	% Issued Capital
1	DATA BASE SYSTEMS LIMITED *	9,008,800	15.31%
2	NEFCO NOMINEES PTY LTD	2,228,846	3.79%
3	SUNSHORE HOLDINGS PTY LTD	1,416,933	2.41%
4	DR SALIM CASSIM	1,283,846	2.18%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,200,000	2.04%
6	PATER INVESTMENTS PTY LTD	955,000	1.62%
7	ANZ NOMINEES LIMITED	941,027	1.60%
8	ORION EQUITIES LIMITED	700,879	1.21%
9	BELL POTTER NOMINEES LTD	700,000	1.19%
10	BLUE CRYSTAL PTY LTD	700,000	1.19%
11	CITYSIDE INVESTMENTS PTY LTD	610,000	1.04%
12	MRS LINDA SALA TENNA & MRS LISA SHALLARD	600,000	1.02%
13	CLASSIC CAPITAL PTY LTD	583,846	0.99%
14	MR GEORGE BRYANT MACFIE	563,846	0.96%
15	R & A MULE INVESTMENTS PTY LTD	500,000	0.85%
16	MR KLEO HATZILADAS	448,049	0.76%
17	MR RUSS WALKER	380,000	0.65%
18	FAROOQ KHAN	353,340	0.60%
19	CITICORP NOMINEES PTY LIMITED	351,681	0.60%
20	MR SHANKER MADAN & MRS ANU MADAN	337,179	0.57%
Total		23,863,272	40.57%

UNLISTED (ESCROWED) ORDINARY FULLY PAID SHAREHOLDERS

Shareholders	Escrow Expiry	Total Shares	% Issued Capital
HUME MINING NL	9 Feb 2007	1,666,667	

* Substantial shareholder of the Company

SECURITIES INFORMATION
as at 31 December 2006

DISTRIBUTION OF LISTED $0.20 (30 JUNE 2008) OPTIONS

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	31	17,568	0.09%
1,001	-	5,000	104	307,807	1.51%
5,001	-	10,000	52	446,109	2.19%
10,001	-	100,000	160	5,339,925	26.20%
100,001	-	and over	32	14,766,405	72.44%
Total			379	20,877,814	1.0242%

TOP 20 LISTED $0.20 (30 JUNE 2008) OPTIONS

Rank	Optionholder	Total Options	% Total Options On Issue
1	DATA BASE SYSTEMS LIMITED	4,537,734	22.26%
2	SUNSHORE HOLDINGS PTY LTD	1,360,879	6.68%
3	CLASSIC CAPITAL PTY LTD	1,140,000	5.59%
4	TALEX INVESTMENTS PTY LTD	1,000,000	4.91%
5	MR DENIS IVAN RAKICH	903,000	4.43%
6	HUME MINING NL	833,334	4.09%
7	ANZ NOMINEES LIMITED	532,492	2.61%
8	RENMUIR HOLDINGS LIMITED	417,917	2.05%
9	MR TROY VALENTINE	300,000	1.47%
10	HSBC CUSTODY NOMINEES	300,000	1.47%
11	MRS ANUPAM SHOBHA MADAN	288,000	1.41%
12	CITYSIDE INVESTMENTS PTY LTD	281,666	1.38%
13	MRS LINDA SALA TENNA & MRS LISA SHALLARD	250,000	1.23%
14	CHOTAI INTERNATIONAL PTY LTD	238,436	1.17%
15	MS ROSANNA DE CAMPO	217,598	1.07%
16	BLUE CRYSTAL PTY LTD	200,000	0.98%
17	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES	195,000	0.96%
18	MR VICTOR HO	184,334	0.90%
19	ORION EQUITIES LIMITED	181,472	0.89%
20	FAROOQ KHAN	176,670	0.87%
Total		13,538,532	66.42%%

Appendix 5B
Mining Exploration Entity Quarterly Report

Name of entity
STRIKE RESOURCES LIMITED and controlled entities

ACN or ARBN	Quarter Ended
088 488 724	**31 December 2006**

Consolidated statement of cash flows		**Consolidated**	
		Current Quarter Dec 2006 $' 000	Year to Date 6 months $' 000
Cash flows related to operating activities			
1.1	Receipts from from product sales and related debtors	**-**	**-**
1.2	Payments for		
	(a) exploration and evaluation	**(354)**	**(557)**
	(b) development	**-**	**-**
	(c) production	**-**	**-**
	(d) administration	**(308)**	**(535)**
1.3	Dividends received	**61**	**82**
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	**(601)**	**(1,010)**

		Consolidated	
		Current Quarter Dec 2006 $' 000	Year to Date 6 months $' 000
1.8	Net operating cash flows (carried forward)	**(601)**	**(1,010)**
	Cash flows related to investing activities		
1.9	Payment for purchases of:		
	(a) prospects	**-**	**-**
	(b) equity investments	**(593)**	**(593)**
	(c) other fixed assets	**(4)**	**(4)**
		-	**-**
1.10	Proceeds from sale of:		
	(a) prospects	**-**	**-**
	(b) equity investments	**-**	**65**
	(c) other fixed assets	**-**	**-**
1.11	Loans to other entities	**-**	**-**
1.12	Loans repaid by other entities	**-**	**35**
1.13	Other (provide details if material)	**-**	**-**
	Contribution towards development costs	**-**	**-**
	Proceeds from return of capital	**-**	**-**
	Net investing cash flows	**(597)**	**(497)**
1.14	**Total operating and investing cash flows**	**(1,198)**	**(1,507)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	**10,958**	**11,065**
1.16	Proceeds from sale of forfeited shares	**-**	**-**
1.17	Proceeds from borrowings	**-**	**-**
1.18	Repayment of borrowings	**-**	**-**
1.19	Dividends paid	**-**	**-**
1.20	Other (provide details if material)	**-**	**-**
	Payment for share issue and options costs	**(204)**	**(240)**
	Net financing cash flows	**10,754**	**10,825**
	Net increase (decrease) in cash held	**9,556**	**9,318**
1.21	Cash at beginning of quarter/year to date	**1,056**	**1,294**
1.22	Exchange rate adjustments to item 1.20		**-**
1.23	**Cash at end of quarter**	**10,612**	**10,612**

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 Dec 2006 $' 000
1.24	Aggregate amount of payments to the parties included in item 1.2	**(97)**
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) $ 97,055 - 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	(980)
4.2	Development	-
	Total	(980)

Note that 4.1 includes an estimated $0.712 million investment into Apurimac Ferrum S.A (the Peruvian company which holds the Apurimac and Cuzco Iron-Ore Projects). The funds invested into Apurimac Ferrum will be applied towards exploration and evaluation expenses on the projects.

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	**358**	**1,056**
5.2	Deposits at call	**2,000**	**-**
5.3	Bank overdraft	**-**	**-**
5.4	Other (Bank Bills)	**8,254**	**-**
	Total: cash at end of quarter (item 1.22)	**10,612**	**1,056**
		-	-

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	Strike Resources Limited applied for a 75% interest in Exploration Licence Application 25862 on 7 December 2006 in accordance with Section 17 of Mining Act 1980 (NT).			

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+	58,834,870	57,168,203		
7.4	Changes during quarter				
	(a) Increases through issues	2,427,988	2,427,988	20 cents	N/A
		8,014,324	8,014,324	130 cents	N/A
			116,667	24 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			*Exercise price*	*Expiry date*
		1,833,333	-	20 cents	9 February 2011
		1,666,667	-	30 cents	9 February 2011
		20,384,296	20,384,296	20 cents	30 June 2008
		4,600,000		96 cents	21 July 2011
		500,000		96 cents	13 September 2011
7.8	Issued during quarter	150,000		120 cents	6 October 2011
7.9	Exercised during quarter	2,427,988		20 cents	30 June 2008
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes				

Compliance statement

1 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).

2 This statement **does** give a true and fair view of the matters disclosed.

31 January 2007

William Johnson
Director

+ See Chapter 19 for defined terms

NOTES

1) The Company currently holds the following share investments:

Company	No Shares	%	31-Jan-07 Last Bid Price	Market Value
Orion Equities Limited (OEQ)	505,026	2.8%	$1.470	$742,388
Queste Communications Ltd (QUE)	826,950	2.9%	$0.335	$277,028
Sofcom Limited (SOF)	12,420,439	27.8%	suspended	
Total				**$1,019,416**

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

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) During the quarter ending 31 December 2006, 2,427,988 listed $0.20 (30 June 2008) options were exercised and converted into shares (as described in the above table), raising a total of $485,597.60.

3) 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

4) 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

5) 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.

6) The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.

7) 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.