

# STRIKE RESOURCES LIMITED

## SEPTEMBER 2008 QUARTERLY REPORT For the 3 months to 30 September 2008

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Date: 31 October 2008

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### SUMMARY

- 31 October 2008 - Strong cash position of ~\$73.5 million compared with market capitalisation of \$65 million (based on 31 October closing price of \$0.50).
- 28 October 2008 - JORC Inferred Resource at Berau Thermal Coal Project increases to 8 million tonnes - with average calorific value 5,800 kcal/kg and low ash (5.6%), low sulphur (0.64%) and low Inherent Moisture content of 14%.
- 27 October 2008 - In light of tight credit and capital markets, Strike announces it intends, in the short term, to focus on bringing the Berau Coal Project into production and advancing the Cuzco Lump Project in Peru. It intends to reduce its expenditure at Paulsens East and in Peru until the dispute with its local partner (D&C) is resolved and/or credit and capital markets show clear signs of recovery.
- September/October 2008 - Key managers appointed to oversee development of Berau Thermal Coal and Peru Iron Ore Projects.
- 22 September 2008 - Gallagher does not proceed with A\$53.4 million second tranche share placement at \$2.75 per share due to uncertainty created by international financial crisis. Gallagher remains largest shareholder (14%).
- 5 September 2008 - S&P's Index Services includes Strike in S&P/ASX 300 Index.
- 11 August 2008 - Acquisition of outstanding interests in Berau Thermal Coal Project and Paulsens East Iron Ore Project (both now 100% owned by Strike) in consideration for the issue of 9.5 million shares.
- 1 August 2008 - Maiden JORC Inferred Resource of 4.6 million tonnes of thermal sub-bituminous coal defined at Berau Thermal Coal Project.
- 29 July 2008 - Mr Farhad Moshiri appointed to the Board as a Non-Executive Director. Mr Moshiri appoints Mr Mark Horn as his Alternate Director.
- 29 July 2008 - \$49.7 million share placement to Gallagher Holdings Limited at \$2.75 per share; A\$53.4 million second tranche subject to due diligence, Strike shareholder and FIRB approvals.
- 23 July 2008 - Completion of Pre-Feasibility Study (PFS) on Apurimac Iron Ore Project - which focuses on the development of a 20 million tonnes per annum mining operation with iron ore concentrate transported by slurry pipeline to the coast.

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# REPORT FROM BOARD

As shareholders will be aware, turmoil and volatility in world financial markets is causing significant negative effects on the market value of most resource companies. Strike has not been immune from these events; Strike's current market capitalisation of \$65 million (being a closing share price on 31 October of \$0.50 per share with 130,034,268 shares on issue) has fallen well below Strike's cash position of approximately \$73.5 million.

Strike wishes to reassure shareholders that it remains in a sound financial position, with excellent projects and experienced management. Over the last year, Strike has made considerable progress towards its goal of developing a number of income producing mining projects, including:

- (1) Completing 2 capital raisings totalling \$82 million to institutional investors.
- (2) Completing a Pre Feasibility Study for the Apurimac Iron Ore Project in Peru.
- (3) Completing 14,733 metres of drilling (151 drill holes) in Peru.
- (4) Securing additional exploration concessions in the Apurimac district in Peru.
- (5) Increasing its controlling, economic interest in Apurimac Ferrum S.A., (the Peruvian company that holds the Apurimac and Cuzco Projects) to 68.15%.
- (6) Completing the acquisition of 100% of the Berau Coal Project in Indonesia and the Paulsens East Iron Ore Project in the Pilbara, Western Australia.
- (7) Establishing local offices in Jakarta and Berau (Indonesia) to progress development of the Berau Coal Project.
- (8) Recruiting experienced industry professionals to lead dedicated teams for the Peru iron ore and Berau coal projects.

In light of the extremely tight credit and capital markets, Strike intends to progress the development of its various mining projects in a manner consistent with achieving the greatest value from its existing cash reserves.

In the short term, the principal focus of Strike is to bring its Berau Coal Project into production, which is expected to generate significant recurring cash flow for Strike.

With regard to its operations in Peru, Strike has determined to focus its efforts on advancing the short term cash flow opportunities afforded by the Cuzco Lump Project and to reduce its other expenditure in Peru until the dispute with its local partner (D&C) is resolved and/or credit and capital markets show clear signs of recovery.

In summary, whilst Strike is disappointed with the recent decline in its share price, in particular to a value below its cash position per share, the fundamentals of Strike remain sound. Strike holds significant cash reserves and an excellent mix of projects. These projects hold the prospect of generating significant cash flow for Strike in the near term, which may be used to support the advancement of its Peruvian iron ore assets, once market conditions improve.

# COMPANY PROFILE

Strike Resources Limited (ASX Code: SRK) is an Australian-based mineral development company with a diversified asset portfolio including a thermal coal project in Indonesia, hematite and magnetite iron ore projects in Peru and hematite and minerals sands projects in Australia:

PROJECTS	LOCATION	Interest Held by Strike
(1) Berau Thermal Coal	East Kalimantan, Indonesia	100%
(2) Cuzco Lump Iron Ore	Cuzco District, Peru	68.15%
(3) Apurimac Iron Ore	Apurimac District, Peru	68.15%
(4) Cuzco Iron Ore	Cuzco District, Peru	68.15%
(5) Paulsens East Iron Ore	West Pilbara, Western Australia	100%
(6) King Sound Mineral Sands	West Kimberley, Western Australia	30%

Strike has a 3 stage project development programme target for Peru:

- Cuzco Lump:** up to 2 million tonnes per annum lump ore production from the Cuzco Project;
- Apurimac:** An additional 20 million tonnes of concentrate production from the Apurimac Project;
- Cuzco Stage 2:** An additional 20 million tonnes of concentrate production from the Cuzco Project.

On 23 July 2008<sup>1</sup> Strike announced the results of the Pre-Feasibility Study (PFS) on its Apurimac Iron Ore Project, which focuses on the development of a 20 million tonnes per annum mining operation with iron ore concentrate transported by slurry pipeline to the coast. The PFS has confirmed that the Apurimac Iron Ore Project has the potential to become a highly profitable world class iron ore operation, with:

- Average operating costs (OPEX) of approximately US\$14.50 per tonne
- Total capital cost (CAPEX) of approximately US\$2.3 billion
- High quality product grading +68% Fe, very low in alumina, phosphorous and other impurities
- Operating cash surplus of approximately US\$1.44 billion forecast for first full year of production (based on iron ore concentrate prices of -US\$94 per tonne FOB).

## JORC Resources

### 1. Apurimac Iron Ore Project

The resource estimate by Snowden Group (completed as part of the PFS) has provided a significant re-rating of the resource on two Apurimac concessions, from a JORC Inferred Iron Ore Resource of 172 million tonnes at 62.28% Fe<sup>2</sup> to a JORC Indicated Resource of 133.5 million tonnes at 59.40% Fe:

Concession	Tonnes	Fe%	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	P%	S%
Opaban I	125,000,000	59.26	2.12	7.87	0.04	0.14
Opaban III	8,530,000	62.08	1.37	4.58	0.07	0.25
<b>Total/Average</b>	<b>133,530,000</b>	<b>59.40</b>	<b>2.07</b>	<b>7.66</b>	<b>0.04</b>	<b>0.15</b>

### 2. Berau Thermal Coal Project

JORC Inferred Resource of 8 million tonnes of sub-bituminous thermal coal<sup>3</sup> with an average calorific value of 5,800 kcal/kg and low ash (5.6%), low sulphur (0.64%) and low Inherent Moisture content of 14%:

Resource (tonnes)	Calorific Value Air Dried Basis	Calorific Value Dry Ash Free	Sulphur	Ash	Inherent Moisture	Total Moisture As Received	Fixed Carbon	Volatile Matter	Hardgrove Grindability Index
8,000,000	5,800	7,200	0.64%	5.6%	14%	17%	40%	40%	50

1 [23 July 2008 ASX market announcement entitled "Pre-Feasibility Results Confirm World Class Prospects for Apurimac Project in Peru"](#)

2 Refer [23 August 2006: ASX market announcement titled "Peru Iron Ore Update on Apurimac Project"](#) and [19 July 2007: ASX market announcement titled "Apurimac Project - JORC Resource Statement"](#)

3 Refer [28 October 2008 ASX market announcement entitled "Company Update - Berau Coal JORC Upgrade"](#)

# PROJECT LOCATIONS



## Berau Thermal Coal Project (100%, East Kalimantan, Indonesia)

The project concession is located 40 kilometres south-west of Tanjungredeb (Berau) and 350 kilometres north of Balikpapan (the capital city of Kalimantan).



## Apurimac Project: (68.15%, Apurimac District, Peru)

This project comprises 71 concessions totalling 58,709 hectares located 16 kilometres from Andahuaylas, the capital of the Apurimac Province, in Peru's southern Andes.

## Cuzco Project: (68.15%, Apurimac District, Peru)

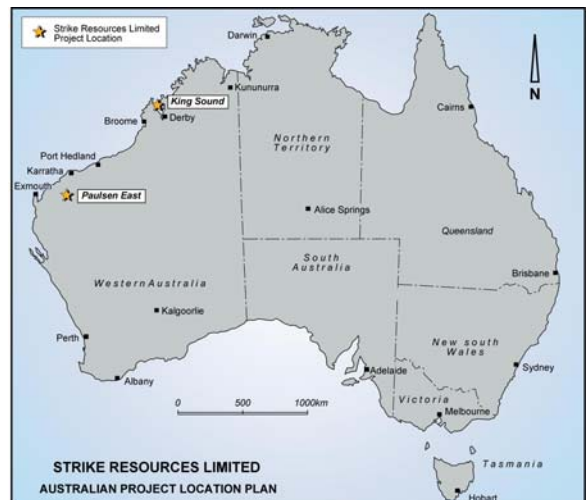
This project comprises 15 concessions totalling 12,363 hectares located 130 kilometres south-east of the Apurimac Project area and 80 kilometres south of the city of Cuzco. Two small towns, Santa Tomas and Colquemarca, are located within a few kilometres of the project area.

## Paulsens East Iron Ore (100%, West Pilbara, WA)

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

## King Sound Mineral Sands (30%, West Kimberley, WA)

The three project tenements (applications pending grant) covers a total area of 652 square kilometers and is located 10 kilometres south-west of the port town of Derby in the West Kimberley region of Western Australia.



## 1. Berau Thermal Coal Project

(100%, East Kalimantan, Indonesia)

Strike now holds a 100% interest in this project, having acquired a 70% interest from its joint venture partner on 11 August 2008.<sup>4</sup>

Strike's focus is on the development of a relatively low-cost strip mining operation producing 1.5 million tonnes per annum initially and increasing to 3 million tonnes per annum. This project, upon commencement of production, has the potential to generate substantial cash flows for Strike to assist in the development of Strike's other projects.

### JORC Resource

A JORC Inferred Resource of 8 million tonnes of sub-bituminous thermal coal with a calorific value of ~5,800 kcal/kg has been estimated for the project.<sup>5</sup> The coal has low ash (~5.6%), low sulphur (~0.64%) and Inherent Moisture of ~14%. The table below provides a summary of the quality of the Berau Coal Resource:

	Inferred Resource
Coal Tonnes	8,000,000
CVADB = Calorific Value Air Dried Basis	5,800
IMADB = Inherent Moisture Air Dried Basis	14%
TSADB = Total Sulphur Air Dried Basis	0.64%
AADB = Ash Air Dried Basis	5.6%
FCADB = Fixed Carbon Air Dried Basis	40%
VMADB = Volatile Matter Air Dried Basis	40%
CVAR = Calorific Value As Received	5,600
TMAR = Total Moisture As Received	17%
CVDB = Calorific Value Oven Dried	6,800
CVDAF = Calorific Value Dry Ash Free	7,200
HGI = Hardgrove Grindability Index	50

The calorific value of this coal together with its relatively low levels of ash and sulphur means that it is ideally suited for use as a fuel for power utilities in both domestic (Indonesia) and international markets.

Coal of this quality is currently selling for US\$80 to \$90 per tonne FOB barge Berau.

### Resource Expansion

The current JORC Inferred Resource of 8 million tonnes of thermal coal along a 2.5 kilometre strike length is located within a 200 hectare area forming part of the total concession area of 5,000 hectares.

Outcropping coal seams have been mapped intermittently by Strike along a further strike length of 4 kilometres southeast of the current JORC Inferred Resource. These outcrops appear to be extensions of coal seams comprising the current JORC Resource. This possible extension of the resource along strike affords the potential to increase the JORC Inferred Resource by a further 5 to 10 million tonnes to a total of 13 to 18 million tonnes.

*The potential quantity of the target mineralisation of an additional 5 to 10 million tonnes of coal is conceptual in nature. There has been insufficient exploration to define a mineral resource in relation to that target coal. It is uncertain if further exploration will result in the determination of a mineral resource in relation to that target coal. The potential quality of the target mineralisation coal has not been ascertained at this stage, and no assurance can be given that the target mineralisation will have a similar quality to the current JORC Inferred Resource.*

4 Via the acquisition of Strike Indo Operations Pty Ltd (formerly Orion Indo Operations Pty Ltd) from its joint venture partner, Orion Equities Limited (Orion). A total of 7.75 million Strike shares were issued to Orion as consideration for this acquisition. Refer also 11 August 2008 ASX market announcement entitled "Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects"

5 Refer footnote 3



Strike has therefore recently commenced a 5,000 metre drilling campaign which is expected to be completed by December 2008.

The objectives of this campaign are to:

- convert the current JORC Inferred Resource of 8 million tonnes to an Indicated/Measured JORC category; and
- delineate an additional resource outside of the currently drilled area.

## Capital and Operating Costs

The Berau Thermal Coal Project has the potential to generate substantial cash flows for Strike.

Based upon the previously-announced JORC Inferred Resource of 4.6 million tonnes of thermal coal<sup>6</sup>, Strike had earlier commissioned an independent study by [GMT Indonesia](#) to determine approximate operating costs for a mining operation based upon a proposed annualised production of 1 million tonnes per annum.

For a 1 Mtpa owner-operated mine, GMT Indonesia estimated an operating cost of approximately US\$40 per tonne (including royalties) and a total capital cost of US\$23 to US\$25 million. Given the current sale price of between US\$80 and \$90 per tonne FOB barge for coal of this quality at Berau, this provided a forecast gross operating margin of US\$40 to \$50 per tonne.

Subsequent to an increase in the JORC Inferred Resource to 8 million tonnes referred to above and the identification of additional target mineralisation of between 5 and 10 million tonnes, Strike is undertaking more detailed capital and operating cost estimates with respect to a larger production profile of 3Mtpa. Strike expects final capital and operating cost estimates to be settled within the first quarter of 2009 pursuant to the conclusion of a competitive bid process for mining and infrastructure contracts.

At this stage Strike estimates that total capital required to develop a 3Mtpa mining operation (using contract mining) is not expected to exceed US\$30 million.

## Resource and Infrastructure Studies

A low-cost strip mining operation is planned of 1.5 Mtpa initially, increasing to 3Mtpa. It is proposed that the coal will be trucked and barged to the coast for transport to buyers in Asia.

Strike has recently engaged a number of international and local Indonesian consulting firms to undertake the following resource and infrastructure studies:

- a resource review and development of a mine plan ([Minarco-MineConsult](#));
- a detailed transportation study from mine site to loading facilities (approximately 35km from the proposed mine site) ([GeoIndo Survey Services](#)); and
- a detailed mine and port infrastructure study ([Trans Tek Engineering](#)).

The engagement of these firms is a significant step forward in the progression of mine development and will provide Strike with greater confidence and certainty in terms of project economics and the efficient development of a mining operation.

<sup>6</sup>

Refer [1 August 2008 ASX market announcement entitled "JORC Inferred Coal Resource of 4.6Mt at Berau Project"](#)

## Offtake Agreements

Given current uncertainty in world financial markets Strike believes that it is important to secure firm and binding offtake agreements for coal produced from this project prior to proceeding with any significant expenditure in mine development. Strike may also seek, in conjunction with such offtake agreements, project financing for the whole or part of the capital costs involved in mine development.

Strike is currently in discussions with various parties to secure firm coal offtake agreements and is also discussing various project financing options.

## Indonesian Offices

In order to advance the development of this project, Strike has established local offices in Jakarta and Berau (Indonesia) together with 3 local support staff.

## 2. Cuzco Iron Ore Project

(68.15%, Cuzco District, Peru)

Strike has two areas of focus within this project:

- (1) **Cuzco Lump:** The development of a two million tonnes per annum lump iron ore operation mining high grade (+60% Fe) near surface hematite mineralisation with the direct shipping ore (DSO) being transported to the existing port of Matarani using trucks and Peru Rail; and
- (2) **Cuzco Stage 2:** The development of a second 20 million tonnes per annum mining operation and second slurry pipeline to integrate with the 20 million tonnes per annum mining operation proposed at Apurimac with the concentrate product being transported to the coast through the connection of a second slurry pipeline to the first slurry pipeline.

## Lump Ore Project

Strike is conducting a scoping study on the mining and transportation of 1.2 million tonnes initially, expandable to 2 million tonnes, per annum of high-grade (+60% Fe) lump iron ore from its Cuzco Project area through to the existing port of Matarani.

Preliminary findings indicate that the ore could be trucked 275 kilometres through to a railhead near the town of Imata and thereafter loaded onto trains and railed 312 kilometres through to Matarani port using Peru Rail.

## Exploration and Geology

### Lump Testwork - Assays and Metallurgy

Two 456 kilogramme bulk samples (mined to a depth of 8 metres) and core samples from the last diamond drilling campaign were assessed for metallurgical properties during the September quarter.

The test work results showed a product grade at approximately 66.8% Fe, 1.5% SiO<sub>2</sub>, 0.8% Al<sub>2</sub>O<sub>3</sub>, 0.03% P and 0.05% S with low MgO, K<sub>2</sub>O and Na<sub>2</sub>O.

Lump proportion in the mineralised body from both pit samples varied from 53.7% to 69.5% and in the diamond core samples between 38.3% and 64.2%.

The table below summarises assay data for the lump product from the pit sample adjacent to drill hole CQ041.

Table: Sample processing - Assay Results for CQ041 Pit Sample

LUMP SIZE ASSAY ANALYSIS - CQ0041-PM-08 Pit Sample																
SCREEN (mm)	Wt. (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	CaO (%)	P (%)	S (%)	MgO (%)	K <sub>2</sub> O (%)	Na <sub>2</sub> O (%)	Zn (%)	FeO (%)	LOI-371 (%)	LOI-1000 (%)
+31.5	0.0															
-31.5+25.0	20.8	66.94	1.48	0.76	0.044	0.04	0.09	0.025	0.052	0.21	0.014	0.010	0.001	1.88	1.32	1.57
-25.0+20.0	18.1	66.69	1.60	0.83	0.044	0.04	0.09	0.027	0.047	0.24	0.016	0.010	0.001	2.39	1.34	1.57
-20.0+15.0	21.3	66.97	1.50	0.82	0.047	0.04	0.09	0.025	0.048	0.22	0.016	0.010	0.001	2.15	1.32	1.54
-15.0+10.0	21.2	66.79	1.53	0.83	0.044	0.04	0.09	0.027	0.049	0.21	0.015	0.010	0.001	2.36	1.36	1.56
-10.0+8.0	7.6	66.76	1.55	0.84	0.046	0.04	0.09	0.029	0.051	0.22	0.015	0.005	0.001	2.42	1.45	1.69
-8.0+6.3	9.1	66.63	1.59	0.87	0.047	0.04	0.09	0.029	0.052	0.22	0.016	0.005	0.001	2.21	1.45	1.72
-6.3	2.0	65.78	1.90	1.05	0.048	0.04	0.08	0.035	0.059	0.22	0.014	0.010	0.001	1.77	1.83	2.20
Calc'd HEAD	100.0	66.80	1.54	0.82	0.045	0.04	0.09	0.027	0.050	0.22	0.015	0.009	0.001	2.20	1.36	1.60
ASSAY HEAD		66.72	1.53	0.83	0.044	0.04	0.09	0.027	0.051	0.21	0.015	0.010	0.001	2.20	1.40	1.63

FINES SIZE ASSAY ANALYSIS - CQ0041-PM-08 Pit Sample																
SCREEN (mm)	Wt. (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	TiO <sub>2</sub> (%)	MnO (%)	CaO (%)	P (%)	S (%)	MgO (%)	K <sub>2</sub> O (%)	Na <sub>2</sub> O (%)	Zn (%)	FeO (%)	LOI-371 (%)	LOI-1000 (%)
+6.3	0.0															
-6.3+4.0	26.9	66.52	1.65	0.92	0.046	0.03	0.08	0.034	0.055	0.20	0.014	0.010	0.001	2.10	1.61	1.89
-4.0+2.0	29.6	66.30	1.79	1.02	0.048	0.03	0.08	0.035	0.056	0.21	0.014	0.005	0.001	2.03	1.70	2.00
-2.0+1.0	14.5	65.85	1.96	1.14	0.049	0.03	0.07	0.038	0.063	0.20	0.014	0.010	0.001	1.92	1.87	2.25
-1.0+0.50	8.3	65.19	2.23	1.32	0.053	0.03	0.07	0.042	0.066	0.19	0.013	0.005	0.001	1.91	2.01	2.42
-0.50+0.25	6.0	64.72	2.56	1.46	0.055	0.03	0.06	0.043	0.067	0.20	0.013	0.005	0.001	1.64	2.06	2.56
-0.25+0.150	4.2	64.23	3.00	1.58	0.055	0.04	0.06	0.045	0.066	0.23	0.013	0.005	0.007	1.45	2.07	2.63
-0.15+0.063	6.7	63.70	3.43	1.75	0.059	0.04	0.05	0.046	0.072	0.30	0.013	0.005	0.009	1.38	2.20	2.85
-0.063	3.8	61.43	4.69	2.44	0.071	0.04	0.05	0.056	0.092	0.40	0.014	0.005	0.013	1.18	3.01	3.96
Calc'd HEAD	100.0	65.66	2.13	1.19	0.050	0.03	0.07	0.038	0.061	0.22	0.014	0.007	0.002	1.90	1.85	2.23
ASSAY HEAD		65.75	2.04	1.14	0.050	0.03	0.07	0.038	0.060	0.22	0.014	0.005	0.001	1.93	1.76	2.12

Samples were tested for standard ISO lump ore metallurgical characteristics:

- Strength: Tumble Index and Abrasion Index
- Thermal Resistance: Decrepitation Index
- Reduction Resistance: Reduction Degradation Index
- Reducibility: Reduction Index

The metallurgical testwork results are shown below (with typical Marra Mamba (MM) lump quality from the Pilbara Region of Western Australia shown for comparison):

Metallurgical test results	Pit samples		
	CQ-041	CQ-001	Typical MM
Tumble Index	83.8	72.6	>80
Abrasion Index	13.0	23.4	<12
Decrepitation Index	0.3	0.2	<7
Reduction Degradation Index	18.3	34.2	<30
Reduction Index	40.4	39.3	>55

The lump quality from pit sample CQ 041 is superior to Pilbara lump.

The lump material from pit sample CQ001 was slightly softer than the Marra Mamba lump but produced a chemical grade similar to other areas at Cuzco.

## Drilling

Environmental and community approvals have been granted for a 296-hole drilling programme. Strike confirms that there are currently two drilling rigs in operation at the Cuzco Lump Project area. The objective of the current drilling campaign in this area is to define a JORC resource sufficient to support a 1 - 2 million tonne per annum DSO mining operation. At the date of this report, approximately one third of the planned drilling campaign has been completed.



Strike refers to earlier drilling within the Cuzco Lump Project area completed in June 2007. The current drilling campaign is being conducted principally within the same area but with a focus on the shallower high grade iron ore.

As previously announced, the Cuzco Project area comprises shallow, high grade iron ore beneath which there is located a larger but lower grade iron ore resource. All of the Cuzco drilling campaigns to date has consisted of deeper holes targeting the larger resource beneath the high grade near surface resource.

Strike has determined that it is appropriate to aggregate the results from the June 2007 drilling programme with those from the current drilling campaign, to define a JORC resource for both discrete mineralised zones.

It is therefore expected that a JORC resource encompassing both drilling campaigns will be available once the current drilling campaign is completed and all assay results have been received and compiled.

### 3. Apurimac Iron Ore Project

(68.15%, Apurimac District, Peru)

Strike is planning to develop a 20 million tonnes per annum mining operation with iron ore concentrate transported by slurry pipeline to a new port at Tres Hermanas, near the town of San Juan.

As discussed in the "Report from Board" section of this report (at page 2), with regard to its operations in Peru, Strike has determined to focus its efforts on advancing the short term cash flow opportunities afforded by the Cuzco Lump Project and to reduce its other expenditure in Peru until the dispute with its local partner (D&C) (refer "Corporate" section of this report at page 11)) is resolved and/or credit and capital markets show clear signs of recovery.

#### Feasibility Study

Strike will continue to advance, within this reduced expenditure context, a Feasibility Study to support a 20 million tonnes per annum mining operation at the Opaban I and III concessions in Apurimac. This process will be accelerated if the abovementioned circumstances change - i.e. the dispute with D&C is resolved and/or credit and capital markets show clear signs of recovery.

Strike has received the results of a Railway Transportation Preliminary Engineering Study (as an alternative to the slurry pipeline central case under the PFS) and report on the key findings as follows:

- CAPEX for the railroad option is estimated at ~US\$2.167 billion (excluding contingencies and Engineering, Procurement and Construction Management (EPCM) costs).
- The total length of the railway from Apurimac to the preferred port site at Tres Hermanas on the Pacific coast is estimated at 558 kilometres.
- The slurry pipeline option therefore, is the most cost effective means of transporting iron ore from Apurimac to the coast.

#### Exploration and Geology

During the June 2008 quarter, Strike completed a 2,105 line kilometre helicopter-borne geophysical survey in the Apurimac Project area. Anomalies highlighted from preliminary data have been followed up by surface reconnaissance surveys. The results and analysis from these surveys are inconclusive. It is therefore proposed to conduct drilling to test the cause of each major anomaly when the drilling programme recommences in the Apurimac region.

Community approvals and environmental permits are being sought for drilling in the Apurimac region, including in-fill drilling at the Opaban I and III concessions to expand the JORC Indicated Resource of 133.53 million tonnes at 59.40% Fe.

The commencement of major drilling campaigns in the Apurimac Project area will occur if the abovementioned circumstances change.

## 4. Paulsens East Iron Ore Project

(100%, West Pilbara Region, Western Australia)

Strike now holds a 100% interest in this project, having acquired a 25% interest from its joint venture partner on 11 August 2008.<sup>7</sup>

Strike has been investigating the feasibility of a targeted 1 to 1.5 million tonne per annum mining operation from this project with direct shipping (DSO) quality iron ore being trucked to an existing port on the Pilbara coast.

The results and analysis from a 2,724 metre, 58-hole, RC drilling campaign completed in August 2008 are as follows:

- The + 60% Fe resource is distributed in narrow steep dipping lenses varying in thickness from 1m to 10 metres with cumulative thicknesses varying from 2 metres to 13 metres. The average thickness of the hematite beds is 4.5 metres. The hematite lenses are enclosed within shale and sandstone beds and extend over strata thickness of greater than 20 metres.
- A preliminary review suggests that the waste to ore ratio for the +60% Fe resource will be high.

As discussed in the "Report from Board" section of this report (at page 2), in light of the extremely tight credit and capital markets, Strike intends to progress the development of its various mining projects in a manner consistent with achieving the greatest value from its existing cash reserves. In the short term, the principal focus of Strike is to bring its Berau Coal Project into production and advance the short term cash flow opportunities afforded by the Cuzco Lump Project in Peru.

Accordingly, Strike has determined not to spend any further monies on the Paulsens East Project until a more detailed assessment suggests otherwise.

## 5. King Sound Mineral Sands Project

(30%, West Kimberley Region, Western Australia)

Strike has, through a joint venture with ASX listed Alara Uranium Limited (**Alara**), a 30% interest (free-carried until decision to mine) in the King Sound Mineral Sands Project.

The joint venture has identified the King Sound area as being prospective for the accumulation of heavy minerals, such as zircon, rutile and ilmenite.

The King Sound joint venture intends to conduct extensive sampling for test work to produce and characterise the heavy minerals, upon the grant of these tenements. This will determine an effective processing pathway and develop a conceptual work flow sheet as part of an overall scoping study on the feasibility of the project.

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*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.*

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<sup>7</sup> Via the acquisition of Strike Australian Operations Pty Ltd (formerly Central Exchange Mining Ltd) from its joint venture partner, Orion. A total of 1.75 million Strike shares were issued to Orion as consideration for this acquisition. There is an existing 2% royalty on production payable to Orion, which remains in place. Refer also 11 August 2008 ASX market announcement entitled "Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects"

## Capital Raising

On 25 July 2008, Strike entered into a share subscription agreement with Gallagher Holdings Limited (Gallagher) for a \$103 million capital raising at \$2.75 per share<sup>8</sup>.

Gallagher has advised that it is one of the investment holding companies for the interests of Mr Alisher Usmanov, who is a leading Russian businessmen. Mr Usmanov is the founder and principal shareholder of Gallagher and Metalloinvest. Metalloinvest is a large mining and metals company in Russia. It is comprised of the biggest Commonwealth of Independent States (CIS) iron ore producer, has large iron ore reserves globally and is one of the leading steel producers within Russia. Metalloinvest and its affiliated companies also have interests in telecommunications, media and leisure. The Gallagher/Metalloinvest groups have previously invested in ASX listed companies Mount Gibson Iron Limited (MGX) and Aztec Resources Ltd (AZR) and currently has a shareholding in Medusa Mining Limited (MML).

The placement was to occur in two tranches: A\$49.7 million and A\$53.4 million<sup>9</sup>. The first tranche was completed on 29 July 2008 with completion of the second tranche being subject to completion of due diligence by Gallagher, Foreign Investment Review Board (FIRB) approval and Strike shareholder approval.

On 22 September 2008, Gallagher advised that its due diligence investigations under the share subscription agreement in relation to the tranche 2 investment of A\$53.4 million had not been satisfied as a result of the uncertainty created by the international financial crisis.<sup>10</sup> Gallagher also advised that its extensive due diligence into the merits of the D&C claims lead it to believe that such claims have little or no merit.

The parties engaged in good faith negotiations to replace tranche 2 with an alternative investment mechanism into Strike as Gallagher had indicated to Strike that it was still desirous of making a further investment into Strike.

However, on 8 October 2008, Gallagher advised Strike that, due to the significant down turn in international capital and credit markets, it did not wish to proceed with a further investment into Strike to replace tranche 2.<sup>11</sup>

Gallagher remains the largest shareholder of Strike with 14% of Strike's total issued share capital and has advised Strike that it is a strategic long term shareholder and can assist Strike with sharing its technical expertise as a part of a large mining and metals group.

## Arbitration and "D&C" Claims

Strike refers to Note 26 (Contingent Assets and Liabilities) of the notes to its financial statements for the year ended 30 June 2008 (at pages 79 and 80 of Strike's 2008 Annual Report) for a detailed summary and status (as at 30 September 2008) of this matter.

Strike also refers to its market announcements on this matter:

- 2 June 2008 entitled "[Strike Moves to 68.5% Interest in Peruvian Iron Ore Projects](#)";
- 18 June 2008 entitled "[Update Regarding Strike's Interest in Peruvian Iron Ore Assets](#)";
- 18 July 2008 entitled "[Update - Strike's Interest in Peruvian Iron Ore Assets](#)";
- 24 July 2008 entitled "[General Company Update](#)";
- 28 August 2008 entitled "[Company Update](#)"
- 15 September 2008 entitled "[Project Development and Company Update](#)"
- 9 October 2008 entitled "[Company Update](#)"

8 Refer [28 July 2008 ASX market announcement entitled "\\$103 Million Capital Raising"](#).

9 The first tranche was for 18,068,086 shares raising A\$49,687,237 (gross); the second tranche was to be for 19,412,471 shares to raise A\$53,384,295 (gross).

10 Refer [23 September 2008 ASX market announcement entitled "Update on Gallagher Share Placement"](#)

11 Refer 9 October 2008 ASX market announcement entitled "[Company Update](#)"

Strike provides the following update to the matters disclosed in the 2008 Annual Report and the above market announcements:

- (1) Strike's arbitration request is pending the formation of an arbitration panel (by the Arbitration Centre within the Lima Chamber of Commerce (LCC)), which will then set a timetable for the future conduct of the matter. Strike's Peruvian lawyers have advised that LCC had appointed three Arbitration Panel members, which includes a foreigner (non-Peruvian) as Chairman but D&C had filed an objection against the selection of one proposed member and the proceeding to deal with such challenge has been initiated;
- (2) D&C's allegations of irregularities associated with Strike's exercise of the options (over shares in Apurimac Ferrum S.A.) are, as far as Strike is aware, still under investigation by the relevant authorities. Strike's Peruvian lawyers have advised that the Peruvian Criminal Prosecutor has assumed conduct of investigating the D&C complaints after considering the initial report of the Peruvian Police to be insufficient. The Prosecutor has ordered a new Police investigation by another investigative team.

Strike will provide further updates on this matter as developments arise in relation to the arbitration proceedings and D&C's allegations.

## Summary of Capital Changes

### 1. Shares Capital Changes

Date	Description	Issue Price	No. Shares	Value of Issue	Running Balance of Issued Share Capital
30/06/2008	Balance				102,444,482
8/7/2008	Conversion of listed \$0.178 (30 June 2008) Options	\$0.178	21,700	\$3,863	102,466,182
29/7/2008	Share Placement to Gallagher	\$2.75	18,068,086	\$49,687,237	120,534,268
11/8/2008	Share issue to vendor	Note (A)	7,750,000	Note (C)	128,284,268
11/8/2008	Share issue to vendor	Note (B)	1,750,000	Note (C)	130,034,268

Notes:

- (A) Pursuant to acquisition of Strike Australian Operations Pty Ltd (formerly Central Exchange Mining Ltd) (SAO), which holds a 25% interest in the West Australian Paulsens East Iron Ore Project from Orion Equities Limited (Orion);
- (B) Pursuant to acquisition of Strike Indo Operations Pty Ltd (formerly Orion Indo Operations Pty Ltd) (SIO), which holds a 70% interest in the Indonesian Berau Coal Project from Orion.
- (C) The value of the 9.5 million shares issued to Orion under (A) and (B) above is based on the market price of Strike shares on ASX as at the date of issue, which was \$1.97 per share.

### 3. Options

#### (a) Listed \$0.178 (30 June 2008) Options

Subsequent to the end of the financial year, a further 21,700 options have been exercised raising \$3,862.60. All unexercised \$0.178 (30 June 2008) options expired on 30 June 2008.

## (b) Unlisted Employee's Options

The following employee's options were issued since 1 July 2008:

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria <sup>12</sup>	No. of Options
14 October 2008	\$2.75 (13 October 2013) Employee's Options	\$2.75	13 October 2013	83,334 on 13 January 2009 83,333 on 13 June 2009 83,333 on 13 October 2009	250,000

On 30 October 2008, 150,000 unlisted employee's options (with an exercise price of \$1.178 each and expiring on 5 October 2011) lapsed. These options were held by a former employee and lapsed as they were not exercised within 30 days of cessation of employment, as required under the terms of issue.

## (c) Other Unlisted Options

On 29 July 2008, Strike issued 903,404 unlisted options to a third party as part remuneration for brokering the \$49.7 million share placement by Gallagher Holdings Limited. The exercise price of each option is \$2.75 and the term is 3 years from date of issue.

## Director Appointments

On 29 July 2008, Mr Farhad Moshiri was appointed to the Board as a Non-Executive Director. Mr Moshiri appointed Mr Mark Horn as his Alternate Director.

Mr Moshiri was appointed upon the completion of the \$49. million tranche one share placement to Gallagher. Mr Moshiri is Chairman of Gallagher and Metalloinvest.

Mr Moshiri's and Mr Horn's qualifications and experience are as follows:

<b>A. Farhad Moshiri</b>	<b>Non-Executive Director</b>
<i>Appointed</i>	29 July 2008
<i>Qualifications</i>	B.Econ (Hons), FCCA
<i>Experience</i>	Farhad Moshiri graduated from the University of London with an honours degree in Economics and Statistics and subsequently qualified as a Chartered Certified Accountant (FCCA). He worked for a number of the major accounting firms, latterly focusing on financial services. He joined Global Natural Energy, a London listed company with energy and commodity interests, where he was the Chief Executive for eight years. He helped set up Gallagher Holdings Limited, where he has been instrumental in developing and acquiring its various interests in mining and metals, including its holding in Metalloinvest, a leading Russian mining and metals group where he is Executive Chairman. Farhad Moshiri sits on a number of other Boards.
<i>Relevant interest in securities</i>	Nil
<i>Other current directorships in listed entities</i>	None
<i>Former directorships in other listed entities in past 3 years</i>	None

<sup>12</sup> Options which have vested may be exercised at any time thereafter, up to their expiry date

<b>Mark P. M. Horn</b>	<b>Alternative Director for A. Farhad Moshiri</b>
<i>Appointed</i>	29 July 2008
<i>Qualifications</i>	B.A.(Hons) (First Class), M.A. (Rhodes), LLB(Hons) (London), Dip.B.Admin (Manchester), FSI(dip)
<i>Experience</i>	Mark Horn holds a B.A.(Hons) (First Class), M.A. (Rhodes), LLB(Hons) (London), Dip.B.Admin (Manchester), FSI(dip). He is also qualified as a Barrister of the Honourable Society of Lincoln's Inn. He is the CEO of M. Horn & Co., an FSA authorised corporate finance boutique based in the UK specialising in international mining and energy. He has worked in the City of London since 1987 as a fund manager, analyst and corporate financier, and has been a rated mining and oil analyst.
<i>Relevant interest in securities</i>	Nil
<i>Other current directorships in listed entities</i>	None
<i>Former directorships in other listed entities in past 3 years</i>	Mount Gibson Iron Limited (MGX) (between 1 July 2007 and 1 May 2008)

## Appointment of Key Managers

Strike has appointed various key high calibre managers in Peru and Australian to develop its various projects, as follows:

(1) **Maxwell Hobson**

Max Hobson has been appointed Project Director of the Apurimac and Cuzco Projects in Peru. Max was previously a Project Manager of Sinclair Knight Merz (SKM) leading the team conducting the pre-feasibility study (PFS) for the Apurimac Project and the concept study for the Cuzco Lump Project. Max is a senior engineer with over 35 years of project management experience in managing feasibility studies and Engineering, Procurement, Construction and Management (EPCM) projects. As Project Manager for the Apurimac PFS and Cuzco concept study, Max developed a firsthand and deep insight into and a detailed knowledge of the Apurimac and Cuzco Projects. His acceptance of this role brings to Strike a high calibre project manager and engineer from an elite world leader in project management and also someone who is personally acquainted with all facets of Strike's Peru projects. Max will be based in Peru.

(2) **Michael Lowry**

Mike Lowry has been appointed General Manager, Projects, with responsibility for developing the Berau Coal Project. Mike was previously a Chief Executive Officer of Griffin Energy and Griffin Coal in Western Australia and worked at the Griffin group for 18 years. Prior to that, he was a Manager at Robe River's iron ore operations at Pannawonica and Cape Lambert. Mike's significant industry experience will be important in the development of Strike's coal project. Mike will be based in Australia.

(3) **Soumitra Chakraborty**

Soumitra Chakraborty has been appointed Project Manager for the Berau Coal Project. He is an engineer with 28 years operations and management experience including with Orica in Australia, New Zealand and Indonesia. Soumitra will have a hands on operational role in the development of the Berau Coal Project. Soumitra will be based in Indonesia and Australia.

(4) **Juan Carlos Toro**

Juan Carlos Toro has been appointed Exploration Manager leading the exploration team in Peru. He is a geologist with over 30 years exploration, mining and project management experience in South America, Africa, Australia and Papua New Guinea. Juan Carlos will be based in Peru.



(5) Arran Gracie

Arran Gracie has been appointed Project Manager with responsibility for developing the Cuzco Lump Iron Ore Project. Arran who previously acted for Strike as General Manager, Corporate Affairs, has now altered his role to Project Manager to capitalise on his 14 years experience as a mining engineer with Kimberley Diamond Company, BHP (Yandi Iron Ore Mine) and Anaconda Nickel. Arran will be based in Peru.

## Entry into S&P/ASX 300 Index

Strike has been included in the S&P/ASX 300 Index (effective from close of trade on 20 September 2008), as announced by Standard & Poor's Index Services on 5 September 2008.

## On-Market Share Buy Back

On 25 September 2008, Strike announced that it intended to conduct an on-market share buy back within the "10%/12 month limit" permitted under section 257B(4) of the *Corporations Act 2001 (Cth)*.

On 9 October 2008, Strike announced that the Directors had determined that it was no longer appropriate for Strike to be undertaking this buy back as a consequence of the Gallagher tranche 2 investment not occurring and the current turbulent market conditions.<sup>13</sup>

No shares have been bought back by Strike under this mechanism between these 2 announcements.

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<sup>13</sup> Refer 9 October 2008 ASX market announcement entitled "Company Update"

# PERUVIAN CONCESSIONS

## APURIMAC PROJECT

CONCESSION NAME	AREA (hectares )	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(1) Opaban I	999.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006349X01	No. 8625-94/RPM dated December 16, 1994	20001465
(2) Opaban III	990.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006351X01	No. 8623-94/RPM dated December 16, 1994.	20001464
(3) Los Andes I	999.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006372X01	No. 0134-95-RPM dated January 31, 1995.	200001481
(4) Pitumarca II	1,000.00	Pampachiri	Andahuaylas	Andahuaylas (28-P).	05006385X01	No. 8686-94-RPM dated December 22, 1994.	20001478
(5) Lucrecia Esperanza	66.43	Pampachiri	Andahuaylas	Chalhuana (29-P).	01-00649-99	No. 00623-2001-INACC/J dated July 26, 2001.	11032475
(6) Nueva Oropampa 6	400.00	Pampachiri	Andahuaylas	Chalhuana (29-P).	01-00860-99	No. 04043-2000-RPM dated October 13, 2000.	11032603
(7) Mapsa 2001	800.00	San Jerónimo / Pacucha	Andahuaylas	Andahuaylas (28-P).	01-01204-01	No. 00590-2002-INACC/J dated April 8, 2002.	11032600
(8) Coriminas II	1,000.00	Pampachiri / Sanayca / Capay	Andahuaylas	Chalhuana (29-P).	01-01624-99	No. 02760-2000-RPM, dated July 25, 2000.	11032965
(9) Coriminas V	1,000.00	Pampachiri	Andahuaylas	Chalhuana (29-P).	01-01626-99	No. 0936-00-RPM dates March 16, 2000.	20003140
(10) Ferrum 1	965.06	Andahuaylas / San Jerónimo	Andahuaylas	Andahuaylas (28-P).	01-02983-04	No. 00228-2005-INACC/J dated January 19, 2005.	11053798
(11) Ferrum 2	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (28-P).	01-02984-04	No. 00227-2005-INACC/J dated January 19, 2005.	11053836
(12) Ferrum 3	1,000.00	Andahuaylas / San Gerónimo	Andahuaylas	Andahuaylas (28-P).	01-02985-04	No. 00229-2005-INACC/J dated January 19, 2005.	11053807
(13) Ferrum 4	1,000.00	San Jerónimo / Lucre	Andahuaylas / Aymaraes	Andahuaylas (28-P).	01-02986-04	No. 00230-2005-INACC/J dated January 19, 2005.	11053810
(14) Ferrum 5	959.43	Lucre	Aymaraes	Andahuaylas (28-P).	01-02987-04	No. 00323-2005-INACC/J dated January 25, 2005.	11053816
(15) Ferrum 7	437.00	San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02989-04	No. 00396-2005-INACC/J dated January 27, 2005.	11053822
(16) Ferrum 8	900.00	Andahuaylas / Talavera	Andahuaylas	Andahuaylas (28-P).	01-02990-04	No. 00232-2005-INACC/J dated January 19, 2005.	11053827
(17) Ferrum 9	1,000.00	Lucre / San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02991-04	No. 00324-2005-INACC/J dated January 25, 2005.	11053830
(18) Ferrum 10	1,000.00	San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02992-04	No. 00325-2005-INACC/J dated January 25, 2005.	11053833
(19) Ferrum 11	1,000.00	Lucre / San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02993-04	No. 02512-2005-INACC/J dated June 12, 2005.	11053835
(20) Ferrum 13	600.00	Andahuaylas / Pacucha / San Jerónimo / Talavera	Andahuaylas	Andahuaylas (28-P).	01-03139-06	No. 4416-2006-INACC/J dated October 16, 2006	11061068
(21) Ferrum 26	827.51	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	01-02274-07	No. 000853-2007-INGEMMET/PCD/PM dated September 07, 2007.	11073793
(22) Ferrum 27	1,000.00	Pacucha / San Jerónimo / Andahuaylas	Andahuaylas	Andahuaylas (28-P).	01-02629-07	No. 000581-2007-INGEMMET/PCD/PM dated September 05, 2007.	11073799
(23) Ferrum 36	1,000.00	San Jerónimo / Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10553307	Feb. 29, 2008 RP. 0176-2008-INGEMMET/PCD/PM	11075418
(24) Cristoforo 22	379.52	Andahuaylas / San Jerónimo	Andahuaylas	Andahuaylas (29-P).	01-01656-02	Dec. 13, 2007 RP2849-2007-INGEMMET/PCD/PM	11067786

# PERUVIAN CONCESSIONS

CONCESSION NAME	AREA (hectares )	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(25) Ferrum 28	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10507407	Mar, 07, 2008 RP0601-2008- INGEMMET/PCD/PCM	11075423
(26) Ferrum 29	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10507507	Mar, 07, 2008 RP0365-2008- INGEMMET/PCD/PM	11075419
(27) Ferrum 30	963.20	Tumay Huaraca	Andahuaylas	Chalhuana (29-P).	10525907	May, 05, 2008 PP 1024-2008- INGEMMET/PCD/PM	11076757
(28) Ferrum 31	327.24	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10552807	May, 12, 2008 RP 1266-2008- INGEMMET/PCD/PM	11076509
(29) Ferrum 32	900.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10552907	Mar, 07, 2008 RP0402-2008- INGEMMET/PCD/PM	11075425
(30) Ferrum 33	900.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10553007	Mar, 07, 2008 RP0547-2008- INGEMMET/PCD/PM	11075421
(31) Ferrum 34	800.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10553107	Apr. 17, 2008 RP0764-2008- INGEMMET/PCD/PM	11075427
(32) Ferrum 35	1,000.00	San Jerónimo / Kishuara	Andahuaylas	Andahuaylas (29-P).	10553207	Mar, 07, 2008 RP0347-2008- INGEMMET/PCD/PCM	11075426
(33) Ferrum 37	695.34	Andahuaylas / Kishuara / Talavera	Andahuaylas	Andahuaylas (29-P).	10621507	May, 12, 2008 RP 1164-2008- INGEMMET/PCD/PM	11076534
(34) Ferrum 56	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133508	Jun 19, 2008 RP 1971-2008- INGEMMET/PCD/PM	11077123
(35) Ferrum 57	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133608	Sept. 9, 2008 RP 3279-2008- INGEMMET/PCD/PM	in process
(36) Ferrum 58	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133708	Jun 27, 2008 RP 2206-2008- INGEMMET/PCD/PM	11077127
(37) Ferrum 59	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133808	Jun 27, 2008 RP 2272-2008- INGEMMET/PCD/PM	11077122
(38) Pacunco 1	800.00	Kishuara	Andahuaylas	Andahuaylas (29-P).	10019508	May 29, 2008 RP 1806-2008- INGEMMET/PCD/PM	11076523
(39) Minas Huaycco	800.00	Circa	Abancay	Abancay (28Q)	10168708	Aug. 08, 2008 RP 2541-2008- INGEMMET/PCD/PM	in process
(40) Cassio 100	400.00	Tumay Huaraca	Andahuaylas	Chalhuana (29-P).	10182808	Sept. 10, 2008 RP 3321-2008- INGEMMET/PCD/PM	in process
(41) Cristoforo 14	1000	Pampachiri	Andahuaylas	Andahuaylas (29-P).	01-02327-99	No. 02693-2000 RPM dated 24 July 2000	11034702
(42) Cristoforo 28	500	Toraya	Aymaraes	Chalhuanca (29-P)	01-00152-05	No. 01824-2005 INACC/J dated 4 May 2005	11064280
(43) Ferrosa 29	400	Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	01-00473-05	No. 01709-2005 RPM dated 21 April 2004	11064281
(44) Ferrum 38	800.00	Turpo/ Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10015205	May, 12, 2008 RP1288-2008- INGEMMET/PCD/PM	11064280
(45) Ferrum 39	1,000.00	Andahuaylas / Turpo	Andahuaylas	Andahuaylas (29-P).	10047605	May 29, 2008 RP 1573-2008- INGEMMET/PCD/PM	11064281
(46) Ferrum 40	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10623507	Aug 19, 2008 RP 2905-2008- INGEMMET/PCD/PM	11076528
(47) Ferrum 41	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131408	Jun 19, 2008 RP 1965-2008- INGEMMET/PCD/PM	11076755
(48) Ferrum 42	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131508	Jun 19, 2008 RP 1975-2008- INGEMMET/PCD/PM	in process
(49) Ferrum 43	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131608	Sept. 9, 2008 RP 3243-2008- INGEMMET/PCD/PM	11077113
(50) Ferrum 44	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131908	Jun 19, 2008 RP 1934-2008- INGEMMET/PCD/PM	11077115

# PERUVIAN CONCESSIONS

CONCESSION NAME	AREA (hectares )	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(51) Ferrum 45	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132008	Jun 27, 2008 RP 2283-2008- INGEMMET/PCD/PM	11077116
(52) Ferrum 46	1,000.00	Tumay Huaraca / Turpo / Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132108	Aug. 08, 2008 RP 2523-2008- INGEMMET/PCD/PM	in process
(53) Ferrum 47	1,000.00	Andahuaylas / Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	10132208	Jun 18, 2008 RP 1908-2008- INGEMMET/PCD/PM	11077117
(54) Ferrum 48	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132308	May 29, 2008 RP 1756-2008- INGEMMET/PCD/PM	11076584
(55) Ferrum 49	1,000.00	Andahuaylas / Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	10132408	Jun 19, 2008 RP 2000-2008- INGEMMET/PCD/PM	11077118
(56) Ferrum 50	900.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132508	Jun 19, 2008 RP 1922-2008- INGEMMET/PCD/PM	11077120
(57) Ferrum 51	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132608	Jun 18, 2008 RP 1893-2008- INGEMMET/PCD/PM	11077121
(58) Ferrum 52	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132708	Aug 18, 2008 RP 2803-2008- INGEMMET/PCD/PM	in process
(59) Ferrum 53	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132808	Aug. 08, 2008 RP 2550-2008- INGEMMET/PCD/PM	in process
(60) Ferrum 54	700.00	Colcabamba	Andahuaylas	Andahuaylas (29-P).	10132908	Aug. 19, 2008 RP 2899-2008- INGEMMET/PCD/PM	in process
(61) Ferrum 55	800.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133408	Aug. 19, 2008 RP 2951-2008- INGEMMET/PCD/PM	in process
(62) Ferrum 60	200.00	Abancay	Abancay	Abancay (28Q)	10073208	Aug. 19, 2008 RP 2986-2008- INGEMMET/PCD/PM	in process
(63) Ferrum 62	900.00	Lambrama	Abancay	Abancay (28Q)	10073408	Sept . 8, 2008 RP 3177-2008- INGEMMET/PCD/PM	in process
(64) Ferrum 63	300.00	Curpahuasi	Grau	Abancay (28Q)	10073008	Aug. 28, 2008 RP 3040-2008- INGEMMET/PCD/PM	11076586
(65) Pichirhua 1	800.00	Pichirhua	Abancay	Andahuaylas (29-P).	10151708	TBA	in process
(66) Pichirhua 2	400.00	Pichirhua	Abancay	Andahuaylas (29-P).	10151808	Sept . 8, 2008 RP 3183-2008- INGEMMET/PCD/PM	in process
(67) Colcabamba 1	600.00	Lucre/ Colcabamba	Aymaraes	Andahuaylas (29-P).	10212308	Aug. 19, 2008 RP 2986-2008- INGEMMET/PCD/PM	in process
(68) Colcabamba 2	500.00	Lucre/ Colcabamba	Aymaraes	Andahuaylas (29-P).	10212408	Sept . 8, 2008 RP 3177-2008- INGEMMET/PCD/PM	in process
(69) Colcabamba 3	900.00	Colcabamba/ Toraya	Aymaraes	Andahuaylas (29-P).	10217208	Aug. 28, 2008 RP 3040-2008- INGEMMET/PCD/PM	in process
(70) Sillaccassa 1	700.00	Santa Maria de Chicmo	Andahuaylas	Chincheros (28- O)	10212608	in process	in process
(71) Sillaccasa 2	400.00	Santa Maria de Chicmo	Andahuaylas	Chincheros (28- O)	10212508	Sept . 8, 2008 RP 3183-2008- INGEMMET/PCD/PM	in process

# PERUVIAN CONCESSIONS

## CUZCO PROJECT

CONCESSION NAME	AREA (hectares)	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(1) Flor de María	906.94	Santo Tomás	Chumbivilcas	Livitaca (29-S).	05006521X01	No. 7078-95-RPM dated December 29, 1995.	20001742
(2) Delia Esperanza	1,000.00	Santo Tomás	Chumbivilcas	Livitaca (29-S).	05006522X01	No. 0686-95-RPM dated March 31, 1995.	20001743
(3) Julia Clara	1,000.00	Colquemarca	Chumbivilcas	Livitaca (29-S).	05006523X01	No. 4600-95/RPM dated September 26, 1995.	20001744
(4) El Pacífico I	618.95	Cápacmarca	Chumbivilcas	Livitaca (29-S).	05006536X01	No. 7077-95/RPM dated December 29, 1995.	20001785
(5) El Pacífico II	1,000.00	Santo tomás	Chumbivilcas	Livitaca (29-S).	05006524X01	No. 7886-94/RPM dated November 25, 1994.	20001746
(6) Ferrum 14	268.40	Chamaca	Chumbivilcas	Livitaca (29-S).	01-03047-05	No. 05032-2005-INACC/J dated November 30, 2005.	11053842
(7) Ferrum 15	992.13	Chamaca / Colquemarca	Chumbivilcas	Livitaca (29S)	10494906	Mar. 05, 2007 RJ. 0753-2007-INACC/J	11073796
(8) Ferrum 17	500.00	Colquemarca	Chumbivilcas	Livitaca (29S)	10026607	Oct. 30, 2007 RP. 1815-2007-INGEMMET/PCD/PM	11073794
(9) Ferrum 18	800.00	Quiñota / Haqira	Chumbivilcas/Cotabambas	Santo Tomas (29R)	10026707	May 29, 2008 RP 1761-2008-INGEMMET/PCD/PM	11076514
(10) Ferrum 72	1,000.00	Ccapi	Paruro	Cotabamba(28R)	10408208	in process	in process
(11) Ferrum 73	1,000.00	Ccapi	Paruro	Cuzco(28S)	10409608	in process	in process
(12) Ferrum 74	1,000.00	Ccapi	Paruro	Cuzco(28S)	10408208	in process	in process
(13) Ferrum 75	302.85	Ccapi	Paruro	Cotabamba(28R)	10409808	in process	in process
(14) Ferrum 76	973.83	Capacmarca	Chumbivilcas	Cotabamba(28R)	10409908	in process	in process
(15) Ferrum 77	1,000.00	Ccapi	Paruro	Cotabamba(28R)	10408108	in process	in process

# AUSTRALIAN TENEMENTS

Project	Status	Application No	Grant / Application Date	Expiry Date	Area (Blocks)	Area (km <sup>2</sup> )	Location / Property Name	State	Company's Interest
Paulsen East (West Pilbara Region)	Granted	EL 47/1328	05/10/06	04/10/11	6	18	Paulsen East	WA	100%
	Granted	PL 47/1170	27/03/06	26/03/11	164 hectares	1.64	Paulsen East	WA	100%
King Sound (West Kimberley Region)	Application	ELA 04/1657	26/02/07	N/A	43	141	King Sound	WA	100%
	Application	ELA 04/1658	26/02/07	N/A	58	190	King Sound	WA	100%
	Application	ELA 04/1659	26/02/07	N/A	98	321	King Sound	WA	100%



# SECURITIES INFORMATION

as at 31 October 2008



## Issued Securities

	Quoted on ASX	Not Quoted on ASX	Total
Fully paid ordinary shares	130,034,268	-	130,034,268
\$0.178 (9 February 2011) Unlisted Options	-	1,833,333	1,833,333
\$0.278 (9 February 2011) Unlisted Options	-	1,666,667	1,666,667
\$0.938 (20 July 2011) Directors' Options	-	4,600,000	4,600,000
\$0.938 (12 September 2011) Unlisted Director's Options		500,000	500,000
\$2.078 (6 March 2012) Unlisted Director's Options		500,000	500,000
\$2.788 (6 March 2012) Unlisted Directors' Options		3,300,000	3,300,000
\$2.878 (30 April 2012) Unlisted Employees' Options		133,000	133,000
\$2.878 (4 September 2012) Unlisted Employee's Options		200,000	200,000
\$2.878 (16 November 2012) Unlisted Employee's Options		250,000	250,000
\$3.978 (2 December 2012) Unlisted Directors' Options		4,000,000	4,000,000
\$2.878 (3 March 2013) Unlisted Employee's Options		250,000	250,000
\$2.75 (29 July 2011) Unlisted Options		903,404	903,404
\$2.75 (13 October 2013) Unlisted Options		250,000	250,000
<b>Total</b>	<b>130,034,268</b>	<b>18,386,404</b>	<b>148,420,672</b>

## Distribution of Ordinary, Fully-Paid Shares

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	645	372,311	0.286
1,001	-	5,000	1,791	5,672,952	4.363
5,001	-	10,000	679	5,403,782	4.156
10,001	-	100,000	838	25,163,881	19.352
100,001	-	and over	94	93,421,442	71.844
<b>Total</b>			<b>4,047</b>	<b>130,034,268</b>	<b>100%</b>

# SECURITIES INFORMATION

## as at 31 October 2008



### Top 20 Ordinary Fully-Paid Shareholders

Rank	Shareholders	Total Shares	% Issued Capital
1	ANZ NOMINEES LIMITED	18,068,086	13.895
2	ORION EQUITIES LIMITED	13,190,802	10.144
3	DATABASE SYSTEMS LIMITED	9,377,090	7.211
4	ANZ NOMINEES LIMITED <CASH INCOME A/C>	8,444,787	6.494
5	CITICORP NOMINEES PTY LIMITED	8331376	
	CITICORP NOMINEES PTY LIMITED <DPSL A/C>	227	
	Sub total	8,331,603	6.407
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,461,617	
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - GSCO ECA	20,000	
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	130701	
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	5559071	
	Sub total	7,171,389	5.515
7	QUECHUA INVESTMENTS LIMITED	4,839,657	3.722
8	NATIONAL NOMINEES LIMITED	2,307,854	1.775
9	TAYSCRIP NOMINEES PTY LTD	1,060,197	0.815
10	PATER INVESTMENTS PTY LTD	1,000,000	0.769
11	SANDINI PTY LTD <KARRATHA RIGGING UNIT A/C>	970,000	0.746
12	PAN AUSTRALIAN NOMINEES PTY LIMITED	906,996	0.698
13	MR GORDON ANTHONY <ANTHONY FAMILY A/C>	800,000	0.615
14	MR GEORGE BRYANT MACFIE	634,846	0.488
15	FAROOQ KHAN	530,010	0.408
16	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	322,159	
17	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED <BENDALE A/C>	200,000	
	Sub total	522,158	0.402
18	ALARA URANIUM LIMITED	500,000	0.385
19	EMPIRE HOLDINGS PTY LTD	500,000	0.385
20	MRS ANUPAM SHOBHA MADAN & MR HEM SHANKER MADAN	500,000	0.385
<b>Total</b>		<b>79,655,475</b>	<b>61.259%</b>

## 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 September 2008

#### Consolidated statement of cash flows

	Consolidated	
	Current Quarter Sep 2008 \$' 000	Year to Date 3 months \$' 000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	<b>(4,344)</b>	<b>(4,344)</b>
(b) development	-	-
(c) production	-	-
(d) administration	<b>(1,234)</b>	<b>(1,234)</b>
1.3 Dividends received	5	5
1.4 Interest and other items of a similar nature received	541	541
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	<b>(277)</b>	<b>(277)</b>
1.7 Other (provide details if material)	-	-
(a) Professional fees	-	-
<b>Net operating cash flows</b>	<b>(5,309)</b>	<b>(5,309)</b>

Strike has prepared a consolidated cashflow report incorporating the entities that it controlled during the quarter:

- (1) Apurimac Ferrum S.A. (AF), a company incorporated in Peru in which Strike gained control on 29 May 2008;
- (2) Iron Associates Corporation (IAC), a company incorporated in Panama in which SRK acquired a 70% shareholding interest on 26 February 2007;
- (3) Strike Operations Pty Ltd ABN 12 102 978 370 (SOPL) a wholly owned subsidiary during the whole of the financial year;
- (4) PT Indo Batubara (PTIB), a company registered in Indonesia on 8 December 2005 in which SOPL is the 100% beneficial owner;
- (5) Strike Resources Peru SAC (Strike Peru), a wholly owned subsidiary company of SOPL incorporated in Peru on 28 December 2006;
- (6) Ferrum Holdings Limited (FHL), a wholly owned subsidiary company incorporated in British Anguilla on 29 May 2008;
- (7) Strike Australian Operations Pty Ltd ACN 119 438 265, which was acquired from Orion Equities Limited (Orion or OEQ) on 11 August 2008;
- (8) Strike Indo Operations Pty Ltd ACN 124 702 245 (SIOPL), which was acquired from Orion on 11 August 2008; and
- (9) PT Orion Indo Mining (PTOIM), a company registered in Indonesia in which SIOPL is the 100% beneficial owner.

	Consolidated	
	Current Quarter Sep 2008 \$' 000	Year to Date 3 months \$' 000
1.8 Net operating cash flows (carried forward)	(5,309)	(5,309)
Cash flows related to investing activities		
1.9 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(78)	(78)
	-	-
1.10 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net cash inflow from acquisition of controlled entity	-	-
	-	-
Net investing cash flows	(78)	(78)
1.14 Total operating and investing cash flows	(5,387)	(5,387)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	49,692	49,692
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	(2,544)	(2,544)
Net financing cash flows	47,148	47,148
Net increase (decrease) in cash held	41,761	41,761
1.21 Cash at beginning of quarter/year to date	24,865	24,865
1.22 Exchange rate adjustments to item 1.20	1,751	1,751
1.23 Cash at end of quarter	68,377	68,377

**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 Sep 2008 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	(222)
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) \$221,935 - Directors' fees, salaries and superannuation for the quarter.  
(2) \$3,611 - Salaries and fees paid by controlled entity, Apurimac Ferrum, to its Director.

**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

- 1) On 11 August 2008, the Company acquired a 70% interest in the Indonesian Berau Coal Project (via the acquisition of Strike Indo Operations Pty Ltd (formerly Orion Indo Operations Pty Ltd)) and a 25% interest in the West Australian Paulsens East Iron Ore Project (via the acquisition of Strike Australian Operations Pty Ltd (formerly Central Exchange Mining Ltd)) from its joint venture partner in these projects, ASX listed Orion Equities Limited (**Orion**). A total of 9.5 million Strike shares were issued to Orion as consideration for these transactions.
- 2) On 29 July 2008, the Company issued 903,404 unlisted options to a third party as part remuneration for brokering the \$49.7 million share placement by Gallagher Holdings Limited. at \$2.75 per share. The exercise price of each option is \$2.75 and the term is 3 years from date of issue.

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

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	3,000
4.2	Development	-
<b>Total</b>		<b>3,000</b>

## 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	2,732	10,413
5.2 Deposits at call	65,645	14,452
5.3 Bank overdraft	-	-
5.4 Other (Bank Bills)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>68,377</b>	<b>24,865</b>

## 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	Refer to Quarterly Activities Report		
6.2	Interests in mining tenements acquired or increased	Refer to Quarterly Activities Report		



## Issued and quoted securities at end of current quarter

	Total number	Number quoted	security (see note 5) (cents)	security (see note 5) (cents)
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+	102,444,482	102,444,482		
7.4 Changes during quarter				
(a) Increases through issues				
Issue under \$49.7 M Share Placement (at \$2.75 per share)	18,068,086	18,068,086	275 cents	N/A
Share issue to vendor	7,750,000	7,750,000	Note (7)	N/A
Share issue to vendor	1,750,000	1,750,000	Note (8)	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>
Vendor options	1,833,333	1,833,333	17.8 cents	8 February 2011
Vendor options	1,666,667	1,666,667	27.8 cents	8 February 2011
Directors' options	4,600,000		93.8 cents	20 July 2011
Director's options	500,000		93.8 cents	12 September 2011
Employee's options	150,000		117.8 cents	5 October 2011
Director's options	500,000		207.8 cents	6 March 2012
Directors' options	3,300,000		278.8 cents	6 March 2012
Employee's options	100,000		287.8 cents	30 April 2012
Employees' options	133,000		287.8 cents	30 April 2012
Employee's options	200,000		287.8 cents	4 September 2012
Employee's options	250,000		287.8 cents	16 November 2012
Directors' options	4,000,000		397.8 cents	2 December 2012
Employee's options	250,000		287.8 cents	3 March 2013
7.8 Issued during quarter				
Unlisted Options	903,404		275 cents	29 July 2011
7.9 Exercised during quarter				
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 October 2008

\_\_\_\_\_  
Victor Ho  
Director

+ See Chapter 19 for defined terms

## NOTES

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

Company	No Shares	%	31-Oct-08	
			Last Bid Price	Market Value
Alara Uranium Limited (AUQ)	12,750,000	15.8%	\$0.029	\$369,750
Alara Uranium Limited Options (AUQO)	21,562,500	35.7%	\$0.002	\$43,125
Orion Equities Limited (OEO)	505,026	2.8%	\$0.370	\$186,860
Queste Communications Ltd (QUE)	826,950	2.9%	\$0.110	\$90,965
<b>Total</b>				<b>\$690,699</b>

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

- 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
- 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
- 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.
- 7) Pursuant to acquisition of Strike Australian Operations Pty Ltd (formerly Central Exchange Mining Ltd) (SAO), which holds a 25% interest in the West Australian Paulsens East Iron Ore Project from Orion Equities Limited (Orion).
- 8) Pursuant to acquisition of Strike Indo Operations Pty Ltd (formerly Orion Indo Operations Pty Ltd) (SIO), which holds a 70% interest in the Indonesian Berau Coal Project from Orion