

STRIKE

RESOURCES LIMITED

DECEMBER 2008 QUARTERLY REPORT

For the 3 months to 31 December 2008

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Date: 31 January 2009

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SUMMARY

➤ **Cash Position** - Strong cash position of ~\$69.5 million compared with market capitalisation of \$42 million (based on closing price of \$0.32 per share).

➤ **Berau Coal (Indonesia)** - Resource drilling within the proposed initial mining pit and a resource review by Minarco MineConsult has led to an upgrading of the JORC Inferred Resource of 8 million tonnes to a JORC Indicated Resource of 8.1 million tonnes of sub-bituminous thermal coal with a calorific value of 5,756 kcal/kg. The coal has low ash (6.8%), low sulphur (0.73%) and Inherent Moisture of 13.8%.

Strike has completed ~50% of a 5,000 metre diamond core drilling programme to confirm the continuity of coal seams within the resource block and extend the occurrence of coal seams in drill holes 2.5 kilometres away from the resource block. Continuous intersections of seam thicknesses of 4 and 5.7 metres is encouraging for significant addition to the resource base.

➤ **Peru Operations** - In light of tight credit and capital markets, reduced commodity prices and the dispute with its local partner (D&C Group) in Apurimac Ferrum S.A. (AF) (the Peruvian company that holds the Apurimac and Cuzco Projects), Strike has determined to significantly reduce its expenditure in Peru until the dispute is resolved and/or credit, capital and commodity markets show clear signs of recovery.

➤ **Apurimac Iron Ore (Peru)** - No further exploration activity at Apurimac and no advancement of a feasibility study is contemplated until the AF funding issue and D&C Group dispute are resolved.

➤ **Cuzco Iron Ore (Peru)** - A concept report and transportation report with associated costings on a Lump Iron Ore trucking/rail operation are expected to be completed shortly. No further exploration activity at Cuzco is contemplated until the AF funding issue and D&C Group dispute are resolved.

➤ **D&C Dispute** - The contractual dispute with D&C Group in Peru remains ongoing despite several good faith attempts by Strike to negotiate a commercial settlement. An arbitration panel has been formed to consider the Strike arbitration application. The panel is also in the process of joining the arbitrations filed by the D&C Group, which covers substantially overlapping matters/disputes.

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REPORT FROM BOARD

The crisis in world financial markets continues with significant adverse effects being felt by resource companies such as Strike.

Whilst economic stimulus programmes have been announced by a number of major economies, the flow on effect from these programmes is yet to be reflected in a sustained demand and prices for most bulk commodities.

In particular, iron ore prices remain under pressure through declining demand from major consumers.

In this challenging environment, Strike has taken the decision to apply its existing cash reserves towards only those of its projects that demonstrate a clear path for the generation of near term cash flow.

As such Strike continues to advance its Berau Coal Project through an aggressive exploration programme in Indonesia. This programme involving two drilling rigs and approximately 150 staff and contractors in the field continues to generate exploration success with an increasing confidence in the size of the coal resource and the prospects of an early cash flow mining operation.

An important factor underpinning the success of this coal project is the demand for thermal coal and its pricing. In this regard Strike continues to believe that international demand and pricing for thermal coal will be sustained in the short to medium term.

To determine the ultimate feasibility of a mining operation, Strike is also completing a definitive feasibility study for a 3 million tonne per annum mining operation at Berau. This study is expected to be completed by May 2009 at which time a decision will be made on the commencement of mine development.

In the meantime, Strike continues to maintain dialogue with various offshore parties who have expressed firm interest in taking an equity position in this project and/or securing a long term off-take agreement for such coal.

The contractual dispute with D&C Group in Peru also remains ongoing despite several good faith attempts by Strike to negotiate a commercial settlement. In addition, D&C Group has frustrated repeated attempts by Strike to provide funding to Apurimac Ferrum S.A. (AF) (the Peruvian company that holds the Apurimac and Cuzco Projects) for its ongoing operations. D&C Group have also refused to meet their share of the funding obligations of AF.

Both of these factors have resulted in significant challenges for AF's continued operations. Until the disputes concerning AF has been resolved and consistent with its cash preservation objectives, Strike has determined to significantly limit expenditure on its directly and indirectly held Peruvian iron ore assets. At this stage, no exploration activity in Peru is contemplated until the AF funding issue and D&C Group dispute are resolved.

Strike is disappointed at the recalcitrant and non commercial position adopted by D&C Group but will continue to advance the arbitration proceedings it has commenced against D&C Group to achieve a final and certain outcome that places AF in a position to properly exploit its world class iron ore assets.

Strike's cash position remains strong with its current holdings amounting to approximately \$69.5 million. As stated earlier, these cash reserves will be applied judiciously by Strike to achieve its objective of generating early cash flow from its mining assets.

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) Apurimac Iron Ore | Apurimac District, Peru | 68.15% |
| (3) Cuzco Iron Ore | Cuzco District, Peru | 68.15% |
| (4) Paulsens East Iron Ore | West Pilbara, Western Australia | 100% |
| (5) King Sound Mineral Sands | West Kimberley, Western Australia | 30% |

Strike has completed a 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.¹ 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

In light of tight credit and capital markets, reduced commodity prices and the dispute with its local partner (D&C Group) in Apurimac Ferrum S.A. (AF) (the Peruvian company that holds the Apurimac and Cuzco Projects), Strike has determined to significantly reduce its expenditure in Peru until the dispute is resolved and/or credit, capital and commodity markets show clear signs of recovery.

In the short term, the principal focus of Strike is to expand the resource base at Berau Coal Project and bring it into production in 2009, which is expected to generate significant recurring cash flow for Strike.

JORC Resources

1. Berau Thermal Coal Project

JORC Indicated Resource of 8.1 million tonnes of sub-bituminous thermal coal with an average calorific value of 5,756 kcal/kg and low ash (6.8%), low sulphur (0.73%) and low Inherent Moisture content of 13.8%:

| Resource (tonnes) | Calorific Value Air Dried Basis (adb) | Calorific Value (gross as received) | Sulphur (%adb) | Ash (%adb) | Inherent Moisture (%adb) | Total Moisture (%adb) | Fixed Carbon (%adb) | Volatile Matter (%adb) | Hardgrove Grindability Index |
|-------------------|---------------------------------------|-------------------------------------|----------------|------------|--------------------------|-----------------------|---------------------|------------------------|------------------------------|
| 8,100,000 | 5,756 | 5,576 | 0.73% | 6.8% | 13.8% | 16.5% | 39.7% | 39.7% | 51.1 |

2. Apurimac Iron Ore Project

The resource estimate 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% Fe² to a JORC Indicated Resource of 133.5 million tonnes at 59.40% Fe:

| Concession | Tonnes | Fe% | Al ₂ O ₃ % | SiO ₂ % | 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 |
| Total/Average | 133,530,000 | 59.40 | 2.07 | 7.66 | 0.04 | 0.15 |

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"](#)

PROJECT LOCATIONS



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

The project concessions totalling 5,000 hectares are located 40 kilometres south-west of Tanjung Redeb (the capital of the Berau Regency) and 350 kilometres north of Balikpapan, East Kalimantan.



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

This project comprises 72 concessions totalling 59,109 hectares located 16 kilometres from Andahuaylas, the capital of the Apurimac Province, in Peru's southern Andes.

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

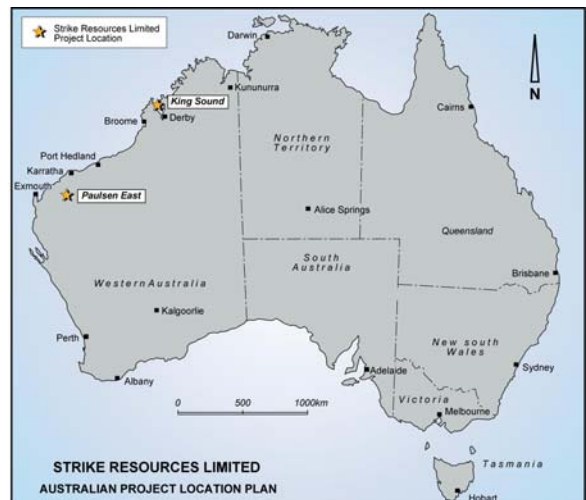
This project comprises 22 concessions totalling 17,563 hectares located 130 kilometres south-east of the Apurimac Project area and 80 kilometres south of the city of Cuzco. Two small towns, Santa Tomas and Colquemarca, are located within a few kilometres of the project area.

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'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 near term cash flows for Strike.

JORC Resource

Resource drilling within the proposed initial mining pit and a resource review by Minarco MineConsult has led to Strike upgrading its JORC Inferred Resource of 8 million tonnes to a JORC Indicated Resource of 8.1 million tonnes of sub-bituminous thermal coal with a calorific value of 5,756 kcal/kg. The coal has low ash (6.8%), low sulphur (0.73%) and Inherent Moisture of 13.8%.

The table below provides a summary of the quality of the Berau Coal Resource:

| Resource (tonnes) | Calorific Value Air Dried Basis (adb) | Calorific Value (gross as received) | Sulphur (%adb) | Ash (%adb) | Inherent Moisture (%adb) | Total Moisture (%adb) | Fixed Carbon (%adb) | Volatile Matter (%adb) | Hardgrove Grindability Index |
|-------------------|---------------------------------------|-------------------------------------|----------------|------------|--------------------------|-----------------------|---------------------|------------------------|------------------------------|
| 8,100,000 | 5,756 | 5,576 | 0.73% | 6.8% | 13.8% | 16.5% | 39.7% | 39.7% | 51.1 |

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\$65 to \$75 per tonne FOB barge Berau.

Resource Expansion

The current JORC Indicated Resource of 8.1 million tonnes of thermal coal along a 2.5 kilometre strike length is located within a 200 hectare area forming part of the total concessions 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.

Strike has completed ~50% of a 5,000 metre diamond core drilling programme to confirm the continuity of coal seams within the resource block and extend the occurrence of coal seams in drill holes 2.5 kilometres away from the resource block.

Drilling outside the proposed pit areas has confirmed the extension of the resource as far as 2.5 kilometres (in hole KJB 02) from the resource block. Of particular interest are intersections of coal seams in the following four (4) drill holes where thick seam thicknesses varying in thickness from 1.27 to 5.7 metres (with several 4 metre wide seams) were intersected along a strike extension of 1,000 metres:

| Drill holes | Cumulative thicknesses of +1 metre coal seams |
|-------------|---|
| KJB 07 | 12.40m (in 3 seams) |
| KJB 10 | 12.58m (in 4 seams) |
| KJB12 | 5.7m (in 1 seam) |
| KJB 13 | 8.23m (in 2 seams) |

Because of undulating ground not all seams were intersected in every drill hole. However, continuous intersections of seam thicknesses of 4 and 5.7 metres is encouraging for significant addition to the resource base. Chemical analyses is pending and Strike will release these results when completed.

COMPANY PROJECTS

This possible extension of the resource along strike affords the potential to increase the JORC Indicated 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.

The on-going objectives of the drilling campaign are to:

- obtain geotechnical information to determine mining conditions and to plan an open pit;
- convert the current JORC Indicated Resource of 8.1 million tonnes to a Measured JORC category; and
- delineate an additional resource outside of the currently drilled area.

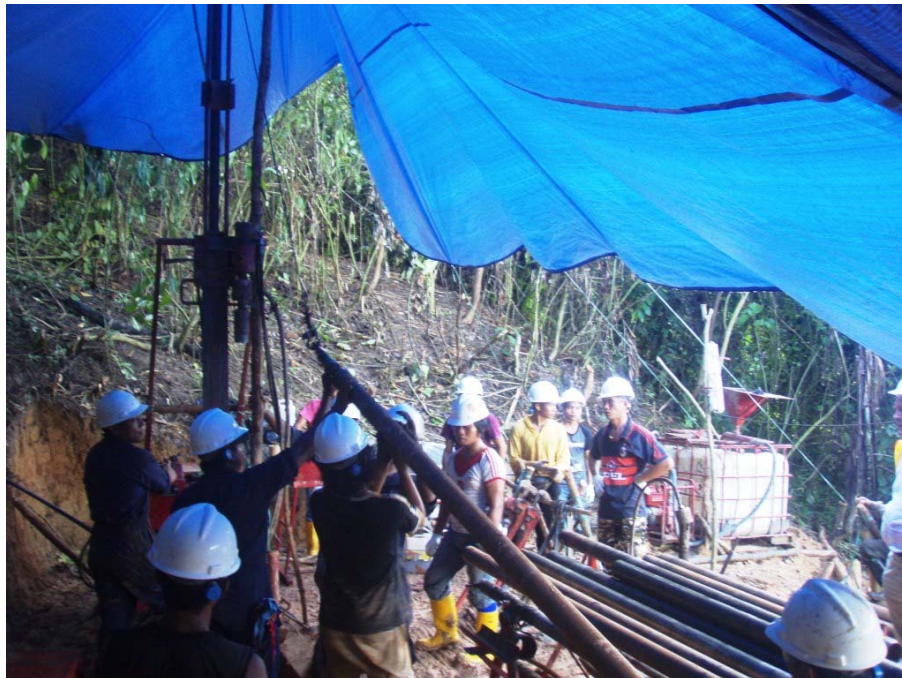


Photo taken at Berau concession drilling site: Changing rods on the diamond drill rig

Capital and Operating Costs

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

After a brief drop in the price indices of traded thermal coal in October and November 2008, thermal coal prices have improved and stabilised. Market intelligence suggests that demand for thermal coal will continue to remain strong.

On current prices and the scoping numbers provided by GMT Indonesia (referred to in our September 2008 quarterly report) Strike forecasts a gross operating margin of between US\$20 to US\$30 per tonne.

There has been no change in the estimate for capital cost of US\$23 to US\$25 million provided in the September 2008 quarterly.

At an initial proposed production target of 1.5 million tonnes per annum and ramping to 3 million tonnes per annum, thermal coal is expected to provide strong annual cash flow for Strike.

Resource and Infrastructure Studies

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

Strike has 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 35 kilometres from the proposed mine site) ([Geolindo Survey Services](#)); and
- a detailed mine and port infrastructure study ([Trans Tek Engineering](#)).

During the December 2008 quarter and to the date of this report, Strike has engaged:

- (i) An Australian expatriate site Project Manager based in Berau, to provide day to day management of site operations;
- (ii) A number of local project geologists, staff and consultants to assist with community relations and social mapping;
- (iii) A local consultant to assist with the development of a coal marketing strategy;
- (iv) [AAM Hatch](#) to conduct a LIDAR radar survey for modelling the terrain between the mine and proposed port site to precisely determine the course of the ~30 kilometres haulage road between the proposed mine and the proposed port. This survey is expected to be completed in mid-March 2009;
- (v) [Golder Associates](#) to provide an assessment of proposed port locations and geotechnical assessment of the proposed mine pits. In this regard, approximately 50% of the geotech drilling has been completed and 2 potential port sites have been identified as suitable for barging, barge loading infrastructure and stockpiles.

A feasibility study presented to the Berau Mines Department has been approved by the Department.

The community consultation process has commenced with a view to finalisation of the Environment and Social Impact Report with the Berau Regency and agreements with local communities by the end of April 2009.

Off-take Agreements and Project Financing

Given current uncertainty in world financial markets Strike believes that it is important to secure firm and binding off-take 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 off-take agreements, project financing for the whole or part of the capital costs involved in mine development.

A marketing strategy report has been completed by a local consultant.

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

COMPANY PROJECTS

2. Apurimac Iron Ore Project

(68.15%, Apurimac District, Peru)

Strike has completed a prefeasibility study on the development of 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 earlier in this report, in light of tight credit and capital markets, reduced commodity prices and the dispute with its local partner (D&C Group) in AF, Strike has determined to significantly reduce its expenditure in Peru until the dispute is resolved and/or credit, capital and commodity markets show clear signs of recovery.

At this stage, no further exploration activity at the project area and advancement of a feasibility study is contemplated until the AF funding issue and D&C Group dispute are resolved.

3. 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 Peru Rail and or trucks; 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 investigating 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.

A concept report and transportation report with associated costings are expected to be completed shortly.

Exploration and Geology

The project area is centred on a large 4 kilometre x 4 kilometre circular magnetic anomaly which contains outcrops of high grade of iron ore.

Drilling has so far defined the dimensions of the mineralised body as being approximately 2,500 metres long by 800 metres wide, in a zone in which massive iron oxide deposits occur in 36 outcrop locations along a 6 kilometre northwest trend.

The drilling programme at Cuzco was suspended in November 2008 as a consequence of Strike's decision to significantly limit expenditure on its Peruvian iron ore assets until the AF funding issue and D&C Group dispute are resolved (as discussed in the "Report from Board" section of this report (at page 2)). At this stage, no further exploration activity at this project area is contemplated until the AF funding issue and D&C Group dispute are resolved.

The completed drilling results and assays are currently pending completion of assessment and resource modelling.

4. Paulsens East Iron Ore Project

(100%, West Pilbara Region, Western Australia)

As stated in the September 2008 quarterly report, 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. Accordingly, Strike has determined not to spend any further monies on the Paulsens East Project.

5. King Sound Mineral Sands Project

(30%, West Kimberley Region, Western Australia)

Strike has, through a joint venture with ASX listed Alara Resources 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.

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.

Cash Position

The Strike group's cash (and investments in listed securities) position as at 31 December 2008 was -A\$67.4 million.

The Strike group's cash (and investments in listed securities) position as at 29 January 2009 was -A\$69.5 million.

The Strike group have exposure to ~US\$15.65 million held in at call accounts and term deposits.

The Strike group also have a smaller exposure to the Peruvian Nuevo Soles and the Indonesian Rupiah foreign currencies.

These foreign currencies are applicable to and facilitates Strike group operations and activities in Peru and Indonesia.

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";
- 31 October 2008 "September 2008 Quarterly Report".

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

- (1) An arbitration panel has now been formed by the Arbitration Centre within the Lima Chamber of Commerce (LCC), to conduct proceedings relating to Strike's arbitration application. The panel is also in the process of joining the arbitrations filed by the D&C Group, which covers substantially overlapping matters/disputes. Strike is advised by its Peruvian lawyers that the arbitration process may take approximately 9 to 12 months;
- (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;
- (3) D&C has filed (on an ex parte basis) a further submission to the Peruvian Judiciary appealing its ruling that the Judicial Precautionary Measure (JPM) was inapplicable to, and did not operate to prevent or set aside, the exercise of the options over AF shares by Strike. As at the date of this report, as far as Strike is aware, the Peruvian Judiciary has not ruled on this appeal.

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. Options

(a) Unlisted Employee's Options

The following employee's options were issued during the December 2008 quarter:

| Date of Issue | Description of Unlisted Options | Exercise Price | Expiry Date | Vesting Criteria ³ | 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.

³ Options which have vested may be exercised at any time thereafter, up to their expiry date

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 | Chalhuaná (29-P). | 01-00649-99 | No. 00623-2001-INACC/J dated July 26, 2001. | 11032475 |
| (6) Nueva Oropampa 6 | 400.00 | Pampachiri | Andahuaylas | Chalhuaná (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 / Sañayca / Capay | Andahuaylas | Chalhuaná (29-P). | 01-01624-99 | No. 02760-2000-RPM, dated July 25, 2000. | 11032965 |
| (9) Coriminas V | 1,000.00 | Pampachiri | Andahuaylas | Chalhuaná (29-P). | 01-01626-99 | No. 0936-00-RPM dated 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 |
| (25) Ferrum 28 | 1,000.00 | San Jerónimo | Andahuaylas | Andahuaylas (29-P). | 10507407 | Mar. 07, 2008 RP0601-2008-INGEMMET/PCD/PCM | 11075423 |

PERUVIAN CONCESSIONS

| CONCESSION NAME | AREA (hectares) | DISTRICT | PROVINCE | NATIONAL CHART REFERENCE | CODE | TILE | FILE NUMBER |
|--------------------|------------------|-------------------------------------|-------------|--------------------------|-------------|--|-------------|
| (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 | 11081416 |
| (40) Cassio 100 | 400.00 | Tumay Huaraca | Andahuaylas | Chalhuana (29-P). | 10182808 | Sept. 10, 2008 RP 3321-2008- INGEMMET/PCD/PM | 11081415 |
| (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 | 11077114 |
| (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 |
| (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 | 11079784 |

PERUVIAN CONCESSIONS

| CONCESSION NAME | AREA (hectares) | DISTRICT | PROVINCE | NATIONAL CHART REFERENCE | CODE | TITLE | FILE NUMBER |
|-------------------|------------------|-----------------------------|-------------|--------------------------|----------|--|-------------|
| (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 | 11079786 |
| (59) Ferrum 53 | 1,000.00 | Andahuaylas | Andahuaylas | Andahuaylas (29-P). | 10132808 | Aug. 08, 2008 RP 2550-2008-INGEMMET/PCD/PM | 11079787 |
| (60) Ferrum 54 | 700.00 | Colcabamba | Andahuaylas | Andahuaylas (29-P). | 10132908 | Aug. 19, 2008 RP 2899-2008-INGEMMET/PCD/PM | 11079788 |
| (61) Ferrum 55 | 800.00 | Andahuaylas | Andahuaylas | Andahuaylas (29-P). | 10133408 | Aug. 19, 2008 RP 2951-2008-INGEMMET/PCD/PM | 11079789 |
| (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 | Aug. 11, 2008 RP 2638-2008-INGEMMET/PCD/PM | 11079794 |
| (66) Pichirhua 2 | 400.00 | Pichirhua | Abancay | Andahuaylas (29-P). | 10151808 | Sept . 8, 2008 RP 3183-2008-INGEMMET/PCD/PM | 11081445 |
| (67) Colcabamba 1 | 600.00 | Lucre/ Colcabamba | Aymaraes | Andahuaylas (29-P). | 10212308 | Aug. 19, 2008 RP 2986-2008-INGEMMET/PCD/PM | 11079780 |
| (68) Colcabamba 2 | 500.00 | Lucre/ Colcabamba | Aymaraes | Andahuaylas (29-P). | 10212408 | Sept . 8, 2008 RP 3177-2008-INGEMMET/PCD/PM | 11081451 |
| (69) Colcabamba 3 | 900.00 | Colcabamba/ Toraya | Aymaraes | Andahuaylas (29-P). | 10217208 | Aug. 28, 2008 RP 3040-2008-INGEMMET/PCD/PM | 11079781 |
| (70) Sillacassa 1 | 700.00 | Santa Maria de Chicmo | Andahuaylas | Chincheros (28- O) | 10212608 | Nov. 19, 2008 RP 5088-2008-INGEMMET/PCD/PM | in process |
| (71) Sillacassa 2 | 400.00 | Santa Maria de Chicmo | Andahuaylas | Chincheros (28- O) | 10212508 | Sept . 8, 2008 RP 3183-2008-INGEMMET/PCD/PM | 11081449 |
| (72) Colcabamba 4 | 400.00 | 10580108 | Aymaraes | Andahuaylas (29-P). | | Applied 30 Sept. 2008 | 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 / Haqaira | 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 | Oct. 21, 2008 RP 4435-2008-INGEMMET/PCD/PM | in process |
| (11) Ferrum 73 | 1,000.00 | Ccapi | Paruro | Cuzco(28S) | 10409608 | Nov. 19, 2008 RP 5050-2008-INGEMMET/PCD/PM | in process |
| (12) Ferrum 74 | 1,000.00 | Ccapi | Paruro | Cuzco(28S) | 10408208 | Nov. 19, 2008 RP 5006-2008-INGEMMET/PCD/PM | in process |
| (13) Ferrum 75 | 302.85 | Ccapi | Paruro | Cotabamba(28R) | 10409808 | Nov. 19, 2008 RP 5130-2008-INGEMMET/PCD/PM | in process |
| (14) Ferrum 76 | 973.83 | Capacmarca | Chumbivilcas | Cotabamba(28R) | 10409908 | Oct. 20, 2008 RP 4323-2008-INGEMMET/PCD/PM | in process |
| (15) Ferrum 77 | 1,000.00 | Ccapi | Paruro | Cotabamba(28R) | 10408108 | Nov. 19, 2008 RP 5227-2008-INGEMMET/PCD/PM | in process |
| (16) Ferrum 65 | 1,000.00 | TBA | TBA | TBA | 010580008 | Applied 30 Sept. 2008 | in process |
| (17) Ferrum 66 | 100.00 | TBA | TBA | TBA | 010580208 | Applied 30 Sept. 2008 | in process |
| (18) Ferrum 67 | 100.00 | TBA | TBA | TBA | 010579908 | Applied 30 Sept. 2008 | in process |
| (19) Ferrum 68 | 1,000.00 | TBA | TBA | Cusco-28-S Livitaca-29-S | 010579808 | Applied 30 Sept. 2008 | in process |
| (20) Ferrum 69 | 1,000.00 | TBA | TBA | TBA | 010579608 | Applied 30 Sept. 2008 | in process |
| (21) Ferrum 70 | 1,000.00 | TBA | TBA | Livitaca-29-S | 010579608 | Applied 30 Sept. 2008 | in process |
| (22) Ferrum 70 | 1,000.00 | TBA | TBA | Livitaca-29-S | 010579508 | Applied 30 Sept. 2008 | in process |

AUSTRALIAN TENEMENTS

| Project | Status | Application No | Grant / Application Date | Expiry Date | Area (Blocks) | Area (km ²) | 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 30 January 2009

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 |
| Total | 130,034,268 | 18,386,404 | 148,420,672 |

Distribution of Ordinary, Fully-Paid Shares

| Spread | of | Holdings | Number of Holders | Number of Units | % of Total Issue Capital |
|--------------|----|----------|-------------------|--------------------|--------------------------|
| 1 | - | 1,000 | 634 | 362,094 | 0.278 |
| 1,001 | - | 5,000 | 1,775 | 5,608,686 | 4.313 |
| 5,001 | - | 10,000 | 671 | 5,368,059 | 4.128 |
| 10,001 | - | 100,000 | 843 | 25,737,481 | 19.793 |
| 100,001 | - | and over | 93 | 92,957,948 | 71.487 |
| Total | | | 4,016 | 130,034,268 | 100% |

SECURITIES INFORMATION

as at 30 January 2009

Top 20 Ordinary Fully-Paid Shareholders

| Rank | Shareholders | Total Shares | % Issued Capital |
|--------------|--|-------------------|-------------------|
| 1 | ANZ NOMINEES LIMITED | 18,068,086 | |
| | NEFCO NOMINEES PTY LTD | <u>1,300,000</u> | |
| | | Sub total | 19,368,086 14.895 |
| 2 | ORION EQUITIES LIMITED | 13,190,802 | 10.144 |
| 3 | DATABASE SYSTEMS LIMITED | 9,377,090 | 7.211 |
| | | 8,444,787 | 6.494 |
| 4 | CITICORP NOMINEES PTY LIMITED | 7,726,604 | |
| | CITICORP NOMINEES PTY LIMITED <DPSL A/C> | <u>227</u> | |
| | | Sub total | 7,726,831 5.942 |
| 5 | QUECHUA INVESTMENTS LIMITED | 6,370,000 | 4.899 |
| 6 | NATIONAL NOMINEES LIMITED | 5,719,646 | 4.339 |
| 7 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 1,276,617 | |
| | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - GSCO ECA | 1,936,585 | |
| | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 1,964 | |
| | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3 | <u>2,442,124</u> | |
| | | Sub total | 5,657,290 4.351 |
| 8 | ANZ NOMINEES LIMITED <CASH INCOME A/C> | 4,022,449 | 3.093 |
| 9 | PATER INVESTMENTS PTY LTD | 1,325,000 | 1.019 |
| 10 | EMPIRE HOLDINGS PTY LTD | 1,100,000 | 1.077 |
| 11 | SANDINI PTY LTD <KARRATHA RIGGING UNIT A/C> | 970,000 | 0.746 |
| 12 | MR GORDON ANTHONY <ANTHONY FAMILY A/C> | 800,000 | 0.615 |
| 13 | PAN AUSTRALIAN NOMINEES PTY LIMITED | 795,772 | 0.612 |
| 14 | MR GEORGE BRYANT MACFIE | 634,846 | 0.488 |
| 15 | FAROOQ KHAN | 530,010 | 0.408 |
| 16 | SUNSHORE HOLDINGS PTY LTD | 520,830 | 0.401 |
| 17 | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED | 300,232 | |
| | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED <BENDALE A/C> | <u>200,000</u> | |
| | | Sub total | 500,232 0.385 |
| 18 | ALARA URANIUM LIMITED | 500,000 | 0.385 |
| 19 | MRS ANUPAM SHOBHA MADAN & MR HEM SHANKER MADAN | 500,000 | 0.385 |
| 20 | SURPION PTY LTD <M W SUHR & CO A/C> | 460,000 | 0.354 |
| Total | | 88,513,671 | 68.243% |

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

STRIKE RESOURCES LIMITED and controlled entities

ACN or ARBN

088 488 724

Quarter Ended

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

(4)

(4)

1.2 Payments for

(a) exploration and evaluation

(4,340)

(8,684)

(b) development

-

-

(c) production

-

-

(d) administration

(2,808)

(4,042)

1.3 Dividends received

-

5

1.4 Interest and other items of a similar nature received

997

1,538

1.5 Interest and other costs of finance paid

-

-

1.6 Income taxes paid

277

-

1.7 Other (provide details if material)

-

-

-

-

Net operating cash flows

(5,878)

(11,187)

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 has a 51% shareholding interest;
- (2) Iron Associates Corporation (IAC), a company incorporated in Panama in which SRK has a 70% shareholding interest;
- (3) Strike Operations Pty Ltd ABN 12 102 978 370 (SOPL) a wholly owned subsidiary;
- (4) PT Indo Batubara (PTIB), a company registered in Indonesia 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;
- (6) Ferrum Holdings Limited (FHL), a wholly owned subsidiary company incorporated in British Anguilla;
- (7) Strike Australian Operations Pty Ltd ACN 119 438 265, a wholly owned subsidiary 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 Dec 2008 \$' 000 | Year to Date 6 months \$' 000 |
| 1.8 Net operating cash flows (carried forward) | (5,878) | (11,187) |
| Cash flows related to investing activities | | |
| 1.9 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | (78) |
| 1.10 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.11 Loans to other entities | (151) | (151) |
| 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 | (151) | (229) |
| 1.14 Total operating and investing cash flows | (6,029) | (11,416) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | 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) |
| Net financing cash flows | - | 47,148 |
| Net increase (decrease) in cash held | (6,029) | 35,732 |
| 1.21 Cash at beginning of quarter/year to date | 68,377 | 24,865 |
| 1.22 Exchange rate adjustments to item 1.20 | 5,056 | 6,807 |
| 1.23 Cash at end of quarter | 67,404 | 67,404 |

**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 2008 \$' 000 |
|------|--|--|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | (253) |
| 1.25 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.26 Explanation necessary for an understanding of the transactions

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

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 | 2,300 |
| 4.2 | Development | - |
| Total | | 2,300 |

Reconciliation of cash

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

| | Consolidated | |
|--|-------------------------------|--------------------------------|
| | Current Quarter \$' 000 | Previous Quarter \$' 000 |
| 5.1 Cash on hand and at bank | 1,197 | 2,732 |
| 5.2 Deposits at call | 66,207 | 65,645 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (Bank Bills) | - | - |
| Total: cash at end of quarter (item 1.22) | 67,404 | 68,377 |

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+ | 130,034,268 | 130,034,268 | | |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | | | | |
| (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 |
| Director's options | 500,000 | | 207.8 cents | 6 March 2012 |
| Directors' options | 3,300,000 | | 278.8 cents | 6 March 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 |
| Unlisted Options | 903,404 | | 275 cents | 29 July 2011 |
| 7.8 Issued during quarter | | | | |
| Employee's options | 250,000 | | 275 cents | 13 October 2013 |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| Employee's options | 150,000 | | 117.8 cents | 5 October 2011 |
| 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 2009

Victor Ho
Director

+ See Chapter 19 for defined terms

NOTES

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

| Company | No Shares | % | 31-Dec-08 | |
|--|------------|-------|----------------|------------------|
| | | | Last Bid Price | Market Value |
| Alara Resources Limited (AUQ) | 12,750,000 | 15.8% | \$0.032 | \$408,000 |
| Alara Resources Limited Options (AUQO) | 21,562,500 | 35.7% | \$0.001 | \$21,563 |
| Orion Equities Limited (OEO) | 505,026 | 2.8% | \$0.365 | \$184,334 |
| Queste Communications Ltd (QUE) | 826,950 | 2.9% | \$0.140 | \$115,773 |
| Total | | | | \$729,670 |

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

The Company holds foreign currencies denominated in US dollars, Peruvian Nuevo Soles and Indonesian Rupiah. Fluctuations in foreign exchange rates have been accounted for in this cashflow report using the exchange rate as at 31 December 2008.

- 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.