HALF YEAR REPORT

31 December 2008

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CORPORATE DIRECTORY

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Victor P H Ho	Executive Director
William M Johnson	Executive Director
Malcolm Richmond	Non-Executive Director
A. Farhad Moshiri	Non-Executive Director
Mark P. M. Horn	Alternate Director for A. F. Moshiri

COMPANY SECRETARY
Victor P H Ho

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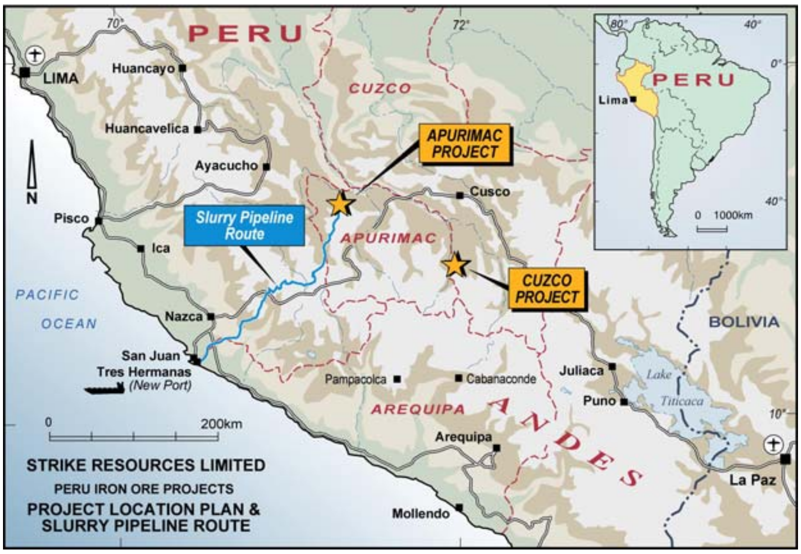
The information in this report that relates to exploration results has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has in excess of the minimum of 5 years experience which is relevant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

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 (Berau) (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

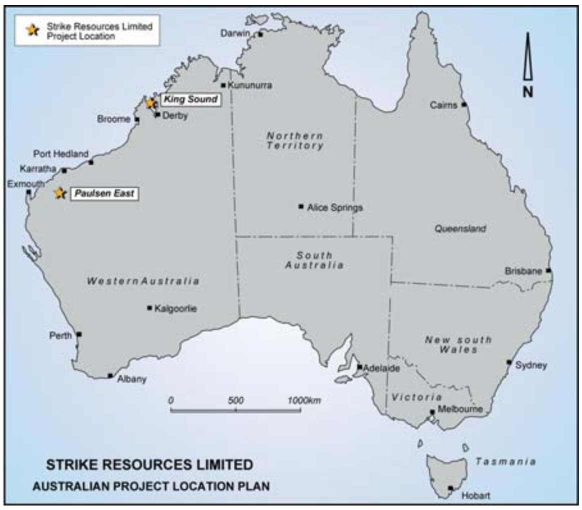
(100%, West Pilbara, WA)

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 kilometres and is located 10 kilometres south-west of the port town of Derby in the West Kimberley region of Western Australia.



DIRECTORS' REPORT

The Directors present their report on Strike Resources Limited (**Company** or **Strike** or **SRK**) and its controlled entities (the **Consolidated Entity**) for the financial half year ended 31 December 2008 (**Balance Date**).

Strike is a company limited by shares that is incorporated in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since 7 March 2000 (ASX Code: SRK).

Strike has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year. Controlled entities were:

(1) Apurimac Ferrum S.A. (**AF**), a company incorporated in Peru in which Strike gained control on 29 May 2008, moving from a 12.5% to 51% direct shareholding interest in addition to its existing indirect 17.15% interest (via its 70% shareholding in IAC, which holds a ~24.5% shareholding in AF);

(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;

(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 (formerly Central Exchange Mining Ltd) (**SAO**), a wholly owned subsidiary company which was acquired from Orion Equities Limited (**Orion** or **OEQ**) on 11 August 2008;

(8) Strike Indo Operations Pty Ltd ACN 124 702 245 (formerly Orion Indo Operations Pty Ltd) (**SIO**), a wholly owned subsidiary company which was acquired from Orion on 11 August 2008; and

(9) PT Orion Indo Mining, a company registered in Indonesia which is 100% beneficially owned by SIO.

OPERATING RESULTS

Consolidated	Dec 2008 $	Dec 2007 $
Total revenues	1,731,879	544,987
Total expenses	(85,629,148)	(6,595,393)
Loss before tax	(83,897,269)	(6,050,406)
Income tax expense	-	-
Loss after tax	(83,897,269)	(6,050,406)
Net loss attributable to minority interest	1,871,426	-
Loss after tax attributable to members	(82,025,843)	(6,050,406)

LOSS PER SHARE

Consolidated	Dec 2008	Dec 2007
Basic loss per share (cents)	(67.04)	(7.67)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	125,141,337	78,861,689

DIRECTORS' REPORT

FINANCIAL POSITION

Consolidated	Dec 2008 $	Jun 2008 $
Cash	69,003,710	23,801,331
Other investments	729,669	1,946,072
Resource and mining related expenditure	16,700,330	53,477,069
Receivables	1,655,408	2,782,622
Other assets	1,118,461	7,788,437
Total assets	**89,207,578**	**89,795,531**
Liabilities	(38,083,859)	(26,102,035)
Net assets	**51,123,719**	**63,693,496**
Issued capital	144,868,669	79,983,760
Reserves	18,354,159	12,269,828
Accumulated losses	(112,572,924)	(30,547,081)
Parent Interest	50,649,904	61,706,507
Minority Interest	473,815	1,986,989
Total equity	**51,123,719**	**63,693,496**

REVIEW OF OPERATIONS

A. GENERAL

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 various resource and infrastructure studies for a 3 million tonne per annum mining operation at Berau. The feasibility study is expected to be completed by May 2009 at which time a decision will be made on the commencement of mine development.

Strike has also signed an exclusivity agreement (expiring 15 April 2009) with a joint venture consortium developing a 300 megawatt Indian power station to exclusively conduct due diligence and evaluation of the Berau Coal Project in relation to entering into (up to a 50%) a joint venture and (up to a 100%) off-take agreement with respect to the Berau Coal Project. Strike has received a refundable US$250,000 deposit under the agreement.

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

DIRECTORS' REPORT

Cuzco Projects) for its ongoing operations. D&C Group have also refused to meet their share of the funding obligations of AF causing significant problems in AF meeting its financial obligations.

Both of these factors have resulted in significant challenges for AF's solvency and ongoing continued operations. Until the disputes concerning AF have 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. In addition, office overheads and administration costs in Peru have been significantly reduced.

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

In this regard, the Peruvian Arbitration Panel has been convened and is currently determining various interlocutory matters in relation to the arbitration proceedings and very recently, on Friday 13 March 2009, resolved various precautionary measure requests that had been filed by the D&C Group, AF and MAPSA.

Strikes cash position remains strong with its current (16 March 2009) holdings amounting to approximately ~A$69 million (31 December 2008: A$68.9 million).

B. PROJECTS

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%

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 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.

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Coal of this quality is currently selling for approximately US$60 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 ~95% 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 up to 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 seams varying in thickness from 1.27 to 5.7 metres (with three 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 are pending and Strike will release these results when completed.

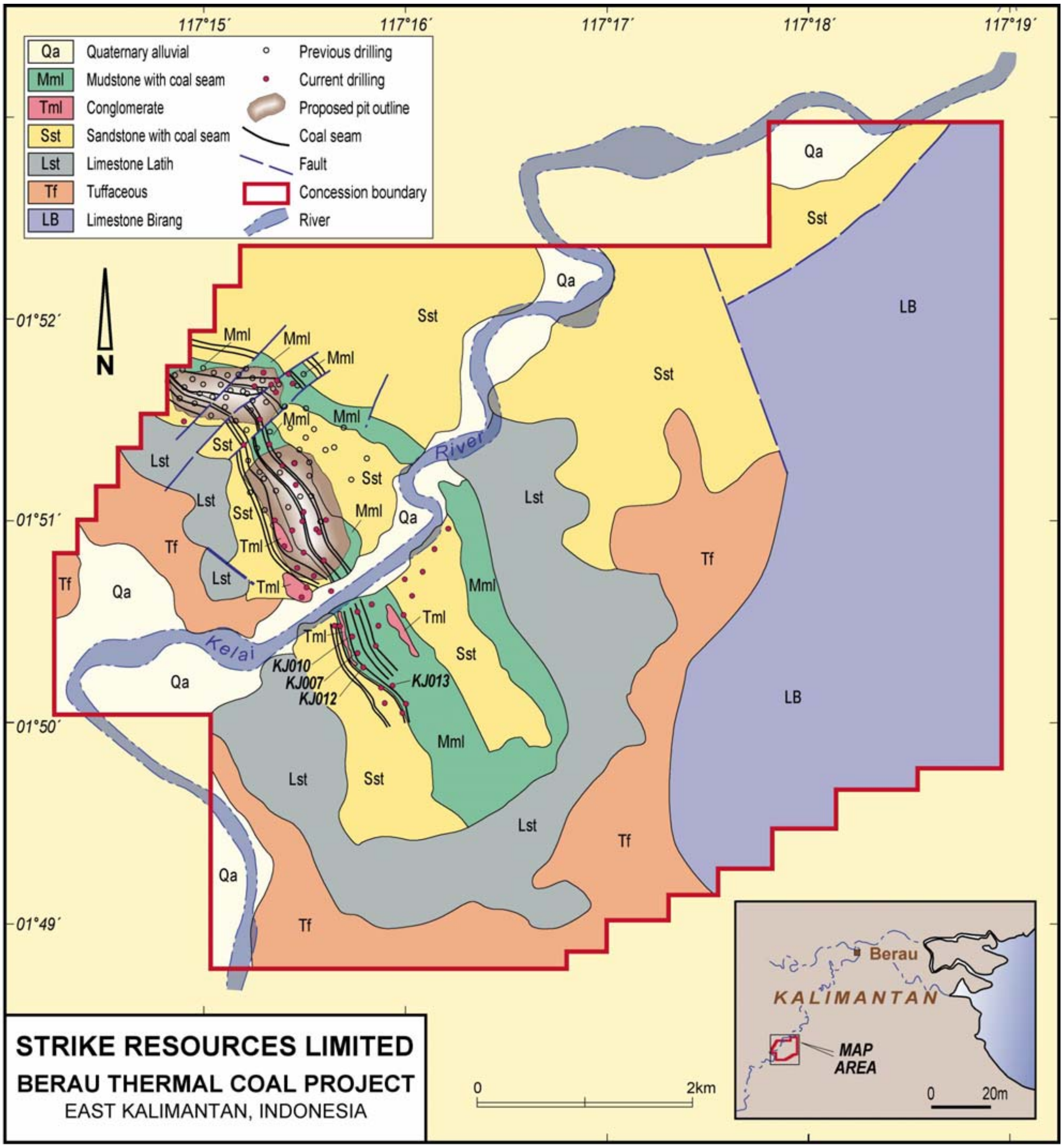
This possible extension of the resource along strike affords the potential to increase the JORC Resource by a further 5 to 10 million tonnes to a total of 13 to 18 million tonnes.

(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.

DIRECTORS' REPORT



DIRECTORS' REPORT

Capital and Operating Costs

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

Based upon the previously-announced JORC Inferred Resource of 4.6 million tonnes of thermal coal[1], 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 one million tonne per annum 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.

After a brief drop in the price indices of traded thermal coal in October and November 2008, thermal coal prices have improved and stabilised at approximately US$60 per tonne FOB barge for coal of this quality at Berau. Market intelligence suggests that demand for thermal coal will continue to remain strong.

On current prices and the scoping numbers provided by GMT Indonesia, Strike forecasts a gross operating margin of approximately US$20 per tonne.

Strike is undertaking detailed capital and operating cost estimates with respect to a larger production profile of 3 million tonnes per annum. Strike expects final capital and operating cost estimates to be settled upon the completion of feasibility studies in May 2009.

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

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.

Feasibility 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 (~30 kilometres from the proposed mine site) (GeoIndo Survey Services);
- a detailed mine and port infrastructure study (Trans Tek Engineering);
- Trans Tek Engineering to conduct a ground survey of the terrain between the mine and proposed port site to determine the course of the ~30 kilometres haulage road between the proposed mine and the proposed port;
- Golder Associates to provide an assessment of proposed port locations and geotechnical assessment of the proposed mine pits.

The feasibility study (encapsulating the above resource and infrastructure studies and a marketing study) is expected to be completed by May 2009 at which time a decision will be made on the commencement of mine development.

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

1 Refer 1 August 2008 ASX market announcement entitled "JORC Inferred Coal Resource of 4.6Mt at Berau Project"

DIRECTORS' REPORT

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 has also sought, in conjunction with such off-take agreements, project financing for the whole or part of the capital costs involved in mine development. Strike has been in discussions with various parties to secure firm coal offtake agreements and to discuss various project financing options.

Strike has also recently signed an exclusivity agreement (expiring 15 April 2009) with a joint venture consortium developing a 300 megawatt Indian power station to exclusively conduct due diligence and evaluation of the Berau Coal Project in relation to entering into (up to a 50%) a joint venture and (up to a 100%) off-take agreement with respect to the Berau Coal Project. Strike has received a refundable US$250,000 deposit under the agreement.

New Mining Law in Indonesia

The mining rights underlying the Berau Coal Project were held in what are known as *Kuasa Pertambangan* (**KP**) under Indonesian mining law, owned by Strike's Indonesian joint venture partner, PT Kaltim Jaya Bara.

A new mining law came into force in Indonesia on 12 January 2009 (**New Mining Law**). This law replaces the Mining Basic Provisions Law, which had governed mining rights in Indonesia since 1967. Under the New Mining Law, in order to continue exercising their rights, entities holding KPs at 12 January will be required to convert their KPs into a new type of mining right called an *Izin Usaha Pertambangan* or IUP.

Strike notes that as at 12 January 2009, a valid KP was in force in relation to the Berau Coal Project. The KP has since expired. Under a circular issued by the Minister of Mineral and Energy Resources, Strike understands that KPs in existence as at 12 January will be converted into IUPs, once regulations are made specifying the process for doing so. Strike understands that the Indonesian Government is endeavouring to have the regulations finalised by mid 2009. Strike is in the same position as a number of other mining companies with interests in KPs that have expired post 12 January or which will expire before the regulations are issued.

In addition, the New Mining Law provides for a new framework for other matters relating to the mining industry in Indonesia including the size of IUPs capable of being granted, the calculation of government royalties and the manner in which mining activity is to be conducted (in particular the priority use of local contractors).

While the New Mining Law has been passed, its application will become clearer once regulations providing for its detailed implementation are issued. In light of this uncertainty, Strike has been working with its Indonesian legal advisers to determine whether the change in law is likely to affect its business. Based upon the legal advice received and the public comments made by the Indonesian Minister of Energy and Mineral Resources, Strike believes that the transition between the two legal regimes will be resolved such as to provide a reasonable degree of clarity with respect to its concession rights and its ability to conduct a coal mining operation.

Strike is monitoring legal and other developments in Indonesia and any resulting effect on its business activities within the country.

DIRECTORS' REPORT

2. Apurimac Iron Ore Project

(68.15%, Apurimac District, Peru)

Pre-Feasibility Study

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 a new port at Tres Hermanas, near the town of San Juan.[2] The PFS has confirmed that the Apurimac Iron Ore Project has the potential to become a highly profitable 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

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 bankable feasibility study is contemplated until the AF funding issue and D&C Group dispute are resolved.

JORC Resource

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% Fe[3] to a JORC Indicated Resource of 133.5 million tonnes at 59.40% Fe:

Concession	Tonnes	Fe%	Al_2O_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**

Railway Transportation Study

Strike has received the results of a Railway Transportation Preliminary Engineering Study (as an alternative to the slurry pipeline central case under the PFS); the key findings are 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; and
- The slurry pipeline option therefore, is presently the most cost effective means of transporting iron ore from Apurimac to the coast.

Lump Iron Ore Study

Strike has also undertaken a preliminary and basic transportation study examining the feasibility of mining up to one million tonnes per annum of high grade lump iron ore from its Apurimac project area using road transport to the existing port of San Nicholas. The study has indicated an estimated capital cost of approximately US$49 million and an estimated operating cost of US$76.31/tonne.

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2 23 July 2008 ASX market announcement entitled "Pre-Feasibility Results Confirm World Class Prospects for Apurimac Project in Peru"

3 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"

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Having reviewed these figures and based upon current and projected prices for the proposed iron ore product relative to estimated operating costs, Strike does not believe road transport of lump iron ore from the Apurimac project area presently represents an economically viable proposition. As such Strike does not believe it is appropriate to conduct any further work on a lump iron ore mining operation utilising road transport from the Apurimac Project area.

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 one to 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 through a combination of trucking and rail transport; 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 Iron Ore Study

Strike has completed a conceptual study on a possible lump iron ore mining operation on the basis of the following criteria:

Category	Value
Annual Production Rate	1 million tonnes per annum
Operational Life	20 years (@1 Mt/pa)
Product Specification	-30/+6mm Lump Ore of ~64% Fe
Product Bulk Density	3.4m^3/tonne
Mining	3:1 Strip Ratio 35 metre deep pit maximum
Road hauling vehicles to be used	Nominal 30 tonne capacity rigid bodied trucks
Rail Wagon	50 tonne payload capacity
Cost Variance	-10%/+40%

The study has indicated an estimated capital cost of approximately US$156.6 million and an estimated operating cost of US$73.08/tonne.

Having reviewed the study and based upon current and projected prices for the proposed iron ore product relative to estimated operating costs, Strike does not believe this one million tonne per annum lump iron ore operation presently represents an economically viable proposition. As such Strike does not believe it is appropriate to conduct any further work on a trucking/rail operation from the Cuzco Project area.

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. 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.

DIRECTORS' REPORT

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.[4]

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 earlier in this 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 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 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.

C. PERU MATTERS

1. "D&C" Claims and Arbitration Proceedings

The Company refers to its previous market announcements in relation to D&C's claims and allegations concerning, amongst other matters, the validity of the IAC Transaction and the exercise of the Options by Strike.[5] These disputes are currently the subject of arbitration proceedings before the Lima Chamber of Commerce filed initially by Strike and followed subsequently by arbitration applications filed by D&C.

Strike provides the following update in relation to these matters:

(1) An arbitration panel (**Panel**) has now been convened by the Arbitration Centre within the Lima Chamber of Commerce (**LCC**) to conduct proceedings relating to Strike's arbitration application. The Panel has also joined the arbitrations filed by the D&C Group, which cover substantially overlapping

4 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"

5 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" and 31 January 2009 "December 2008 Quarterly Report"

DIRECTORS' REPORT

matters/disputes. A timetable has been set for the parties to the arbitration to file their respective submissions and rebuttals during March 2009 with a hearing set for 2 April 2009 to establish the next procedural steps. Strike is advised by its Peruvian lawyers that it may take a further 5 to 8 months for a final award on the arbitration process to be issued by the Panel and such award may be the subject of an exceptional appeal (known as annulment action) before the Peruvian Judiciary under certain specific circumstances established in the law;

(2) The Panel has very recently (on 13 March 2009) resolved precautionary measure applications filed by D&C, AF and MAPSA. The Panel has cancelled the D&C-obtained Judicial Precautionary Measure (**JPM**) against AF, which was effectively impeding the funding of the company, and called for a General Shareholders Meeting of AF to be held on 27 March 2009 for the shareholders to vote on a funding mechanism to provide AF with sufficient funds from its shareholders to continue its on-going operations and pay existing creditors. For such purposes, the Panel has eliminated any voting restriction on the shares held by IAC in AF and confirmed Strike's ability to vote the shares acquired from D&C as a result of the exercise of the respective Option. There is no assurance that an appropriate funding mechanism will be approved and established by the shareholders in such General Shareholders Meeting;

(3) 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 District Attorney has assumed conduct of investigating the D&C complaints after considering the initial report of the Peruvian Police to be insufficient. The District Attorney has requested all parties to a hearing on 7 April 2009, at which D&C and Strike's lawyers will give their oral arguments on the case.

Strike will provide further updates on this matter as developments arise in relation to the arbitration proceedings and criminal investigation.

D. CAPITAL RAISINGS

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[6].

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[7]. 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.[8]

Gallagher remains the largest shareholder of Strike and as a consequence of recent on-market acquisitions, now holds 19.9% of Strike's total issued share capital.

6 Refer 28 July 2008 ASX market announcement entitled "$103 Million Capital Raising".

7 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).

8 Refer 23 September 2008 ASX market announcement entitled "Update on Gallagher Share Placement" and also 9 October 2008 ASX market announcement entitled "Company Update"

DIRECTORS' REPORT

SECURITIES IN THE COMPANY

1. Issued Securities

The Company had the following total securities on issue as at 31 December 2008:

	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**

2. Summary of Share 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	$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

During the half year, a total of 21,700 listed $0.178 (30 June 2008) options were converted into shares, raising a total of $3,862.60. All unexercised $0.178 (30 June 2008) options expired on 30 June 2008.

DIRECTORS' REPORT

(b) Unlisted Employee's Options

The following unlisted employee's options were issued during the half year:

Date of Issue	Description of Unlisted Options	Exercise Price	Expiry Date	Vesting Criteria[9]	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.

On 4 January 2009, 250,000 unlisted employee's options (with an exercise price of $2.878 each and expiring on 16 November 2012) 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, 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. The exercise price of each option is $2.75 and the term is 3 years from date of issue (on 29 July 2011).

4. On Market Share Buy Back

On 25 September 2008, the Company 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)*.[10]

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 Holdings Limited tranche 2 investment not occurring and the turbulent market conditions.[11]

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

DIRECTORS AND COMPANY SECRETARY

On 29 July 2008, A. Farhad Moshiri was appointed to the Board as a Non-Executive Director. Mr Moshiri appointed Mark Horn as his Alternate Director. Mr Moshiri was appointed as a nominee of Gallagher Holdings Limited under the terms of their A$49.7 million share placement into the Company. Mr Moshiri is Chairman of Gallagher and Metalloinvest.

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

10 Refer 25 September 2008 ASX market announcement entitled "Appendix 3C - Announcement of Share Buy Back"

11 Refer 9 October 2008 ASX market announcement entitled "Company Update"

DIRECTORS' REPORT

Information concerning Directors in office during or since the financial half year is as follows:

John Stephenson	**Chairman**
Appointed	26 October 2005
Qualifications	BSc (honours and special honours) in Geology from the University of London through the former University College of Rhodesia and a PhD in Geology from the University of Manitoba, Canada.
Experience	Dr Stephenson is a highly experienced geologist with over 37 years experience in the mining sector. He has held senior positions in large mining companies, most recently as Exploration Director for Rio Tinto Australasia where he led Rio Tinto's exploration activities for five and a half years based in Perth. Dr Stephenson has also during his career led and managed exploration teams for both junior and major mining companies in several parts of the world, mainly in Southern and East Africa, North America and Australia exploring for gold, uranium, diamonds and base metals. He has also been involved with projects in Europe, South America and India. He led teams responsible for the discovery of a world class diamond deposit, the Diavik diamond mine in Canada's Northwest Territories and a high grade gold deposit, the former Golden Patricia gold mine in Ontario.
Relevant interest in securities	Shares – 200,000 Unlisted $0.938 (20 July 2011) directors' options – 800,000 Unlisted $2.788 (6 March 2012) directors' options – 350,000 Unlisted $3.978 (2 December 2012) directors' options – 500,000
Other current directorships in listed entities	Chairman of Alara Resources Limited (AUQ) (since 18 May 2007)
Former directorships in other listed entities in past 3 years	None

H. Shanker Madan	**Managing Director**
Appointed	26 September 2005
Qualifications	Honours and Masters Science degrees in Applied Geology
Experience	Mr Madan has had world-wide experience in the exploration and evaluation of mineral deposits for various commodities. Mr Madan has been a Manager with Hamersley Iron, Group Leader with BHP Minerals, Chief Geologist with Hancock and Wright Prospecting and a Senior Geological Consultant to the Rio Tinto Group. Mr Madan has managed a range of mineral evaluation studies in Iran, Brazil and Western Australia for BHP, Rio Tinto and Hamersley Iron. He has also acted as a consultant to Rio Tinto, Ashton Mining and others on mineral projects in Brazil, South Africa, India, the Philippines, Fiji and United States, working on a range of iron ore, diamonds, gold, copper and chromite deposits. He has been involved in the discovery of 3 world class iron deposits in Western Australia for TexasGulf and BHP Minerals. From 1997 to 2001, Mr Madan managed the evaluation of resource projects for Hamersley Iron and more recently completed a resource due diligence study of the billion-dollar West Angelas project in the Pilbara region of Western Australia.
Relevant interest in securities	Shares – 503,846 Unlisted $0.938 (20 July 2011) directors' options – 1,800,000 Unlisted $2.788 (6 March 2012) directors' options – 950,000 Unlisted $3.978 (2 December 2012) directors' options – 1,130,000
Other current directorships in listed entities	Managing Director of Alara Resources Limited (AUQ) (since 18 May 2007)
Former directorships in other listed entities in past 3 years	None

DIRECTORS' REPORT

Farooq Khan	**Executive Director**
Appointed	9 September 1999
Qualifications	BJuris , LLB. (*Western Australia*)
Experience	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Relevant interest in securities	Shares – 530,010 (directly) and 13,190,802 (indirectly[12]) Unlisted $0.20 (9 February 2011) options – 1,833,333 (indirectly[12]) Unlisted $0.30 (9 February 2011) options - 1,666,667 (indirectly[12]) Unlisted $0.938 (20 July 2011) directors' options – 1,400,000 (directly) Unlisted $2.788 (6 March 2012) directors' options – 700,000 (directly) Unlisted $3.978 (2 December 2012) directors' options – 950,000 (directly)
Other current directorships in listed entities	Current Chairman and Managing Director of: (1) Queste Communications Ltd (QUE) (since 10 March 1998) Current Chairman of: (2) Orion Equities Limited (OEQ) (since 23 October 2006) (3) Bentley Capital Limited (BEL) (director since 2 December 2003) Executive Director of: (4) Alara Resources Limited (AUQ) (since 18 May 2007) Current Non-Executive Director of: (5) Interstaff Recruitment Limited (ITS) (since 27 April 2006)
Former directorships in other listed entities in past 3 years	Scarborough Equities Limited (SCB) (since 29 November 2004)(delisted on 16 March 2009 after merger with BEL)

Malcolm Richmond	**Non-Executive Director**
Appointed	25 October 2006
Qualifications	B. Science Hons (Metallurgy) and B. Commerce Merit (Econs) (*New South Wales*)
Experience	Professor Richmond has 30 years experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions, Managing Director, Research and Technology, Managing Director Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Limited. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Professor Richmond also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. Professor Richmond is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. He is currently a Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia, and a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
Relevant interest in securities	Shares - 100,000 (indirectly) Unlisted $2.078 (6 March 2012) directors' options – 500,000 Unlisted $2.788 (6 March 2012) directors' options – 600,000 Unlisted $3.978 (2 December 2012) directors' options – 600,000
Other current directorships in listed entities	Non-Executive Director of: (1) MIL Resources Limited (MGK) (since August 2001) (2) Structural Monitoring Systems Plc (SMN) (since 17 October 2006) (3) Advanced Braking Technology Ltd (ABV) (since 28 August 2006)
Former directorships in other listed entities in past 3 years	None

12. Held by Orion Equities Limited (**OEQ**); Queste Communications Ltd (**QUE**) is deemed to be a controlling shareholder of OEQ; Mr Farooq Khan (and associated companies) is deemed to have a relevant interest in the securities in which QUE has a relevant interest, by reason of having >20% voting power in QUE.

DIRECTORS' REPORT

William M. Johnson	**Executive Director**
Appointed	14 July 2006
Qualifications	MA (Oxon), MBA
Experience	Mr Johnson commenced his career in resource exploration and has most recently held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Mr Johnson brings a considerable depth of experience in business strategy, investment analysis, finance and execution.
Relevant interest in securities	Unlisted \$0.938 (12 September 2011) directors' options – 500,000 Unlisted \$2.788 (6 March 2012) directors' options – 350,000 Unlisted \$3.978 (2 December 2012) directors' options – 390,000
Other current directorships in listed entities	Current Director of: (1) Orion Equities Limited (OEQ) (since 28 February 2003); (2) Bentley Capital Limited (BEL) (since 13 March 2009)
Former directorships in other listed entities in past 3 years	(1) Scarborough Equities Limited (SCB) (since 29 November 2004) (delisted on 16 March 2009 after merger with BEL) (2) Drillsearch Energy Limited (DLS) (24 October 2006 to 11 August 2008) (3) Altera Capital Limited (AEA) (18 October 2005 to 8 August 2006) (4) Sofcom Limited (SOF) (18 October 2005 to 19 March 2008)

Victor P. H. Ho	**Executive Director and Company Secretary**
Appointed	Secretary since 9 March 2000 and Director since 12 October 2000
Qualifications	BCom, LLB (*Western Australia*)
Experience	Mr Ho has been in /executive and company secretarial roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, IPO's, various other capital raisings and capital management matters and has extensive experience in public company administration, corporations law, ASX compliance and shareholder relations.
Relevant interest in securities	Shares - 16,667 Unlisted \$0.938 (21 July 2011) directors' options – 600,000 Unlisted \$2.788 (7 March 2012) directors' options – 350,000 Unlisted \$3.978 (3 December 2012) directors' options – 430,000
Other positions held in listed entities	Current Executive Director and Company Secretary of: (1) Orion Equities Limited (OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) Current Company Secretary of: (2) Queste Communications Ltd (QUE) (since 30 August 2000) (3) Bentley Capital Limited (BEL) (since 5 February 2004) (4) Alara Resources Limited (AUQ) (since 4 April 2007)
Former directorships in other listed entities in past 3 years	(1) Scarborough Equities Limited (SCB) (since 29 November 2004) (delisted on 16 March 2009 after merger with BEL) (2) Altera Capital Limited (AEA) (Director between 9 November 2001 and 8 August 2006; Secretary between 26 November 2001 and 8 August 2006) (3) Sofcom Limited (SOF) (Director between 3 July 2002 and 19 March 2008; Secretary between 23 July 2003 and 19 March 2008)

DIRECTORS' REPORT

A. Farhad Moshiri	**Non-Executive Director**
Appointed	29 July 2008
Qualifications	B.Econ (Hons), FCCA
Experience	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.
Relevant interest in securities	Nil
Other current directorships in listed entities	None
Former directorships in other listed entities in past 3 years	None

Mark P. M. Horn	**Alternative Director for A. Farhad Moshiri**
Appointed	29 July 2008
Qualifications	B.A.(Hons) (First Class), M.A. (Rhodes), LLB(Hons) (London), Dip.B.Admin (Manchester), FSI(dip)
Experience	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.
Relevant interest in securities	Nil
Other current directorships in listed entities	None
Former directorships in other listed entities in past 3 years	Mount Gibson Iron Limited (MGX) (between 1 July 2007 and 1 May 2008)

Messrs Moshiri and Horn are resident overseas.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 20. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.

John Stephenson
Chairman

Shanker Madan
Managing Director

18 March 2009

BDO Kendalls

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18th March 2009

The Directors
Strike Resources Limited
Level 14, 221 St Georges Tce
PERTH, WA 6000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF STRIKE RESOURCES LIMITED

As lead auditor for the review of Strike Resources Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Strike Resources Limited and the entities it controlled during the period.

Brad McVeigh
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Dated this 18th day of March 2009
Perth, Western Australia

INCOME STATEMENT
for the half year ended 31 December 2008

	Note	Consolidated Entity 31 Dec 08 $	Restated 31 Dec 07 $
Revenue from continuing operations	3	1,731,879	544,987
		1,731,879	544,987
Occupancy costs		(143,244)	(20,519)
Personnel costs			
- Directors' and Employees' options		(1,555,991)	(3,538,105)
- Cash remuneration		(1,941,336)	(575,629)
- Provision for employee benefits		(239,378)	(116,616)
Finance costs		(171,138)	(2,044)
Borrowing costs		(39)	(15)
Foreign exchange losses		(237,286)	9,688
Administration costs		(395,633)	(616,910)
Corporate costs		(2,446,051)	(491,038)
Net change in fair value on share investments		(307,402)	(68,208)
Resource projects - exploration and evaluation		(24,077,299)	(86,620)
Impairment loss			
Goodwill upon acquisition of IAC		(7,258,766)	-
Share investments in Alara Resources		(1,974,222)	-
Acquisition of resource projects - Paulsen East		(3,447,400)	-
Acquisition of resource projects - Apurimac Ferrum		(41,433,963)	-
Share of Associates' Losses		-	(1,089,377)
Loss before income tax		(83,897,269)	(6,050,406)
Income tax expense		-	-
Loss for the half year		(83,897,269)	(6,050,406)
Net profit/(loss) attributable to minority interests		1,871,426	-
Net loss attributable to members of the company		(82,025,843)	(6,050,406)
Basic earnings / (loss) per share (cents)	4	(67.04)	(7.67)

The accompanying notes form part of this financial report

BALANCE SHEET
as at 31 December 2008

	Note	Consolidated Entity 31 Dec 08 $	Consolidated Entity 30 Jun 08 $
CURRENT ASSETS			
Cash and cash equivalents	5	69,003,710	23,801,331
Trade and other receivables		1,655,114	2,782,622
Other		687,565	263,343
TOTAL CURRENT ASSETS		71,346,389	26,847,296
NON CURRENT ASSETS			
Trade and other receivables		294	-
Property, plant and equipment		430,896	266,329
Financial assets at fair value through profit and loss	7	300,107	607,509
Available for sale investments	7	429,562	1,338,563
Intangibles	8	-	7,258,765
Resource and mining related expenditure	9	16,700,330	53,477,069
TOTAL NON CURRENT ASSETS		17,861,189	62,948,235
TOTAL ASSETS		89,207,578	89,795,531
CURRENT LIABILITIES			
Trade and other payables	10	29,697,581	19,788,266
Provisions		175,019	108,827
TOTAL CURRENT LIABILITIES		29,872,600	19,897,093
NON CURRENT LIABILITIES			
Trade and other payables	10	8,130,227	6,076,239
Provisions		81,032	128,703
TOTAL NON CURRENT LIABILITIES		8,211,259	6,204,942
TOTAL LIABILITIES		38,083,859	26,102,035
NET ASSETS		51,123,719	63,693,496
EQUITY			
Issued capital	11	144,868,669	79,983,760
Reserves	12	18,354,159	12,269,828
Accumulated losses		(112,572,924)	(30,547,081)
Parent interest		50,649,904	61,706,507
Minority interest		473,815	1,986,989
TOTAL EQUITY		51,123,719	63,693,496

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2008

Consolidated Entity	Restated Issued Capital $	Restated Reserves $	Minority Interest $	Restated Accumulated Losses $	Total $
At 1 July 2007	51,078,280	4,121,607	342,857	(17,252,996)	38,289,748
Available for sale investment reserve	-	30,902	-	-	30,902
Net income and expense recognised directly in equity	-	30,902	-	-	30,902
Loss for the half year	-	-	-	(6,050,406)	(6,050,406)
Total recognised income and expense for the half year	-	-	-	(6,050,406)	(6,019,504)
Directors and Employees options	-	3,538,105	-	-	3,538,105
Capital return	(4,000,000)	-	-	-	(4,000,000)
Option conversion	2,058,638	-	-	-	2,058,638
					-
At 31 December 2007	49,136,918	7,690,614	342,857	(23,303,402)	33,866,987
At 1 July 2008	79,983,760	12,269,828	1,986,989	(30,547,081)	63,693,496
Available for sale investment reserve	-	1,065,223	-	-	1,065,223
Foreign currency translation	-	2,550,680	-	-	2,550,680
Net income and expense recognised directly in equity	-	3,615,903	-	-	3,615,903
Loss for the half year	-	-	-	(82,025,843)	(82,025,843)
Total recognised income and expense for the half year	-	-	-	(82,025,843)	(78,409,940)
Minority interest	-	-	(1,513,174)	-	(1,513,174)
Options reserve	-	2,468,428	.	-	2,468,428
Share placement	49,687,236	-	-	-	49,687,236
Shares issued for acquisition of subsidiaries	18,715,000	-	-	-	18,715,000
Share issue expenses	(3,521,189)	-	-	-	(3,521,189)
Option conversion	3,862	-	-	-	3,862
At 31 December 2008	144,868,669	18,354,159	473,815	(112,572,924)	51,123,719

The accompanying notes form part of this financial report

CASH FLOW STATEMENT
for the half year ended 31 December 2008

	Note	Consolidated Entity 31 Dec 08 $	31 Dec 07 $
CASH FLOWS FROM OPERATING ACTIVITIES	5		
Receipts from customers		-	-
Payments to suppliers and employees		(1,015,263)	(2,199,955)
Payments for exploration and evaluation expenditure		(11,806,721)	(131,263)
Dividends received		4,592	12,168
Interest received		1,545,809	478,456
Interest paid		(39)	(15)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(11,271,622)	(1,840,609)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(213,664)	(49,108)
Payments for share and option investments		-	(2,834,268)
Cash acquired from purchase of subsidiaries	6	(76,971)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(290,635)	(2,883,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues and options		49,691,099	2,058,638
Payment for share issue cost		(2,602,151)	-
Payment for unmarketable parcels		-	(170)
NET CASH INFLOW FROM FINANCING ACTIVITIES		47,088,948	2,058,468
NET INCREASE IN CASH AND CASH EQUIVALENTS HELD		35,526,691	(2,665,517)
Cash and cash equivalents at beginning of the period		23,801,331	18,358,891
Effect of exchange rate movements		9,675,688	9,688
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	69,003,710	15,703,062

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and the Company's ASX announcements released from 1 July 2008 to the date of this report.

Basis of preparation
The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's financial report for the year ended 30 June 2008.

2. RESTATED COMPARATIVE DATA FOR AVAILABLE FOR SALE OF FINANCIAL ASSETS

In 30 June 2008 the Company reclassified the share investments held in Alara Resources Limited (ASX code: AUQ) from financial assets at Fair Value through Profit and Loss to Available For Sale financial assets. Therefore the comparatives as at 31 December 2007 has to be restated to reflect the change.

The restatement affects the comparatives for half year ending 31 December 2007 as follows:
(a) decreasing the loss after income tax by $2,049,098;
(b) decreasing the basic "loss per share" by $2.60;
(c) decreasing the issued capital and accumulated losses by $2,080,000 and $2,049,098 respectively; and
(d) increasing the reserves by $30,902 for the half year ending 31 December 2007;

The restated financial statement line items for the prior financial period (31 December 2007), as described above, is as follows:

<u>Consolidated Entity</u> **Income statement**	**31 Dec 07**	**Restatement Adjustment**	**Adjusted 31 Dec 07**
Loss on sale of share investments	2,080,000	(2,080,000)	-
Provision for impairment - share investments	37,306	30,902	68,208
Loss before income tax expense	(8,099,504)	2,049,098	(6,050,406)
Loss after income tax expense	(8,099,504)	2,049,098	(6,050,406)
Basic loss per share (cents)	(10.27)	2.60	(7.67)
Statement of Change in Equity & Balance Sheet			
Issued Capital	51,216,918	(2,080,000)	49,136,918
Reserves	7,659,712	30,902	7,690,614
Accumulated Losses	(25,352,500)	2,049,098	(23,303,402)
Minority Interest	342,857	-	342,857

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

3. LOSS FOR THE HALF YEAR

The operating loss before income tax includes the following items of revenue and expense:

	Consolidated Entity	
		Restated
(a) Revenue from continuing operations	**31 Dec 08**	**31 Dec 07**
	$	**$**
Interest received	1,727,286	532,819
Dividends from shares	4,593	12,168
Total revenue	1,731,879	544,987

(b) Expenses		
Operating expenses		
Occupancy costs	143,244	20,519
Personnel costs		
Directors' and Employees' options (non-cash)	1,555,991	3,538,105
Cash remuneration	1,941,336	575,629
Provision for employee benefits	239,378	116,616
Finance costs	171,138	2,044
Borrowing costs - interest paid	39	15
Foreign exchange losses	237,286	(9,688)
Administration costs		
Communication	80,700	26,826
Consultancy fees	314,933	590,084
Corporate costs		
Travel and incidentals	389,684	193,687
Professional Fees	1,425,560	45,856
Depreciation	49,098	9,199
Net change in fair value on share investments	307,402	68,208
Other corporate expenses	581,709	242,296
Resource and mining related expenditure	24,077,299	86,620
Impairment loss on:		
Goodwill on acquisition of IAC	7,258,766	-
Share investments in Alara Resources	1,974,222	-
Acquisition of resource projects - Paulsen East	3,447,400	-
Acquisition of resource projects - Apurimac Ferrum	41,433,963	-
Share of Associates' Losses	-	1,089,377
	85,629,148	6,595,393

4. LOSS PER SHARE

	Consolidated Entity	
	31 Dec 08	**31 Dec 07**
Basic loss per share (cents)	(67.04)	(7.67)
Net Loss	(83,897,269)	(6,050,406)
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	125,141,337	78,861,689
	125,141,337	78,861,689

Under AASB 133 *Earnings per share* , potential ordinary shares such as options will only be treated as dilutive when their conversion to ordinary shares would increase loss per share from continuing operations. As such diluted earnings per share has not been shown.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

5. CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	31 Dec 08	30 Jun 08
	$	$
Cash at bank	3,186,612	18,566,596
Term deposit	65,817,098	5,234,735
	69,003,710	23,801,331

Disclosure of Non-Cash Financing and Investing Activities

On 11 August 2008, the Company purchased a 70% interest in the Indonesian Berau Coal Project (via the purchase of Orion Indo Operations Pty Ltd) and a 25% interest in the West Australian Paulsens East Iron Ore Project (via the purchase of Central Exchange Mining Ltd) from its joint venture partner in these projects, ASX listed Orion Equities Limited (Orion or OEQ). A total of 9,500,000 ordinary Strike shares were issued to Orion as consideration for the sale, valued at $18.7 million based on SRK's closing bid price on 11 August 2008 of $1.97. Financial information related to this business combination can be found at Note 6.

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 to Gallagher Holdings Limited. The exercise price of each option is $2.75 with an expiry date of 29 July 2011. All options issued as part of this transaction vested upon issue.

Options Remuneration

On 14 October 2008, the Company issued 250,000 unlisted employee's options with an exercise price of $2.75 with a term of 5 years and a vesting period of 12 months (one third 3 months from issue date, one third 6 months thereafter and one third 6 months thereafter again) from the date of issue ($2.75 (13 October 2013) Unlisted Employee Options) to an employee for nil consideration.

6. GAINS IN INTERESTS OF CONTROLLED ENTITY

Business combination

On 11 August 2008, the Company purchased a 70% interest in the Indonesian Berau Coal Project (via the purchase of Orion Indo Operations Pty Ltd) and 25% interest in the West Australian Paulsens East Iron Ore Project (via the purchase of Central Exchange Mining Ltd) from Orion.

The acquisition had the following effect on the consolidated entity's assets and liabilities on acquisition date:

	$
Consideration paid, satisfied in shares	18,715,000
Fair value of net identifiable assets acquired	(1,197,003)
Project acquisition interest	17,517,997

Assets and liabilities arising from the acquisition are as follows:	**Acquiree's carrying amount $**
Cash and cash equivalents	76,971
Trade and other receivables	197,969
Capitalised mining and resources related expenditure	934,820
Trade and other payables	(12,757)
	1,197,003

	Consolidated Entity	
Purchase consideration	31 Dec 08	30 Jun 08
Outflow of cash to acquire subsidiary, net of cash acquired	$	$
Cash consideration	-	-
Less balances acquired		
Cash and cash equivalents	76,971	-
Inflow/(Outflow) of cash	76,971	-

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

7. FINANCIAL ASSETS

	Consolidated Entity	
	31 Dec 08	30 Jun 08
Investments comprise:	$	$
Financial Assets at Fair Value through Profit and Loss		
Shares and options in listed companies - at cost	575,181	575,182
Less: net change in fair value	(275,074)	32,327
	300,107	607,509
Available for Sale financial assets		
Shares and options in listed companies - at cost	2,403,784	2,403,785
Less: provision for impairment	(1,974,222)	(1,065,222)
	429,562	1,338,563
Total financial assets	729,669	1,946,072
Market value of investments at balance date		
Shares in listed companies	729,669	1,946,072

8. INTANGIBLES

Goodwill on acquisition of IAC	7,258,765	7,258,765
Provision for impairment	(7,258,765)	-
	-	7,258,765

9. RESOURCE AND MINING RELATED EXPENDITURE

Balance at the beginning of the year	53,477,069	422,781
Project Acquisition Costs: Berau Coal Project	14,070,597	-
Project Acquisition Costs: Paulsen East Project	3,447,400	-
Project Acquisition Costs: Apurimac Ferrum Project	-	41,433,964
Project Acquisition Costs: Other	-	422,319
Provision for impairment of project acquisition costs	(44,881,363)	-
Exploration and evaluation expenditure	14,663,926	12,905,698
Provision for impairment of exploration expenditure	(24,077,299)	(1,707,693)
Balance at the end of the half year	16,700,330	53,477,069

The ultimate recoverability of capitalised resource and mining related expenditure is dependant on the resource projects' successful development or sale.

In accordance with AASB 136: Impairment of Assets, an impairment loss has been recognised for the half-year in relation to the capitalised exploration and evaluation expenditure and the project acquisition costs associated with the Apurimac Ferrum Project and the Paulsen East Project.

10. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	31 Dec 08	30 Jun 08
Current	$	$
Trade creditors	69,598	376,684
Other creditors and accruals	3,153,874	224,802
Tax payable	448,117	569,957
Amounts owed to D&C by the Company and AF	26,025,992	18,616,823
	29,697,581	19,788,266
Non Current		
Amounts owed to MAPSA by AF	8,124,913	6,070,925
Unmarketable parcel trust account	5,314	5,314
	8,130,227	6,076,239

Amounts owed to MAPSA by AF is comprised predominantly of a US$5 million loan repayable on a staged basis within 5 years, accruing interest at LIBOR (London Interbank Offer Rate) plus 2% per annum. Amounts owed to D&C by the Company comprise the US$17.25 million options exercise monies under the AF Agreement. This options exercise is the subject of an arbitration proceeding in Peru - refer Note 15(a) for further details.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

11. ISSUED CAPITAL

	Consolidated Entity	
	31 Dec 08	30 Jun 08
Issued and Paid-Up Capital	$	$
130,034,268 (30 Jun 08: 102,444,482) fully paid ordinary shares	144,868,669	79,983,760

Each fully paid ordinary share carries one vote per share and the right to participate in dividends.

			Company	
	Date of	Number of	31 Dec 08	30 Jun 08
Movement in Ordinary Share Capital	movement	shares	$	$
At 1 July 2008		76,009,248	51,078,281	51,078,281
Option ($0.20/$0.178, 30 June 2008) conversions	July - Jun 08	13,384,234	2,609,063	2,609,063
Capital return distribution	14-Dec-07		(4,000,000)	(4,000,000)
Share placement	20-May-08	13,051,000	31,974,950	31,974,950
Share issue expenses			(1,678,534)	(1,678,534)
At 30 June 2008		102,444,482	79,983,760	79,983,760
Option ($0.20/$0.178, 30 June 2008) conversions	Jul 08	21,700	3,862	-
Share placement	29-Jul-08	18,068,086	49,687,236	-
Shares issued for the acquisition of subsidiaries	11-Aug-08	9,500,000	18,715,000	-
Share transaction costs			(3,521,189)	-
		130,034,268	144,868,669	79,983,760

12. RESERVES

	Consolidated Entity	
	31 Dec 08	30 Jun 08
	$	$
Foreign currency translation reserve	6,042,620	3,491,940
Available for sale reserve	-	(1,065,222)
Options Reserve	12,311,539	9,843,110
	18,354,159	12,269,828

Movement in Foreign currency translation reserve		
Balance at beginning of the year	3,491,940	-
Currency translation differences arising during the period	2,550,680	3,491,940
Balance at end of financial period	6,042,620	3,491,940

Foreign currency translation reserve
Exchange differences arising on translation of a foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised when the net investment is disposed off.

	Consolidated Entity	
	31 Dec 08	30 Jun 08
Movement in Available for Sale Investment Reserve	$	$
Balance at beginning of the year	(1,065,223)	-
Movement in available for sale asset	(908,999)	
Transfer to profit and loss (Note 3b)	1,974,222	(1,065,223)
Balance at end of financial year	-	(1,065,223)
Deferred tax asset (not brought to account)	-	319,567

Available for sale investment reserve
The Available for Sale Investment Reserve relates to a revaluation of the Company's investment in AUQ based on AASB 139: Financial Instruments: Recognition and Measurement to a carrying value of $1,338,562 (Note 13) at Balance Date.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

12. RESERVES (continued)

Movement in Options Reserve			**Consolidated Entity**	
The number of unlisted options outstanding over unissued ordinary shares at balance date is as	**Grant date**	**Number of options**	**31 Dec 08 $**	**30 Jun 08 $**
Unlisted options exercisable at $0.178; expiring 9 Feb 11	10-Feb-06	1,833,333	5,238	5,238
Unlisted options exercisable at $0.278; expiring 9 Feb 11	10-Feb-06	1,666,667	4,762	4,762
Unlisted options exercisable at $2.75; expiring 29 Jul 11	29-Jul-08	903,404	912,438	-
Directors' Options				
Unlisted options exercisable at $0.938; expiring 20 Jul 11	21-Jul-06	4,600,000	2,009,280	1,986,410
Unlisted options exercisable at $0.938; expiring 12 Sep 11	13-Sep-06	500,000	279,000	267,550
Unlisted options exercisable at $2.078; expiring 6 Mar 12	07-Mar-07	500,000	614,874	550,683
Unlisted options exercisable at $2.788; expiring 6 Mar 12	07-Mar-07	3,300,000	3,614,509	3,237,164
Unlisted options exercisable at $3.978; expiring 2 Dec 12	03-Dec-07	4,000,000	3,816,400	3,018,710
Employees' Options				
Unlisted options exercisable at $1.178; expiring 5 Oct 11	06-Oct-06	150,000	150,450	136,624
Unlisted options exercisable at $2.878; expiring 1 May 12	08-May-07	100,000	98,717	82,094
Unlisted options exercisable at $2.878; expiring 1 May 12	05-Jun-07	33,000	32,573	27,084
Unlisted options exercisable at $2.878; expiring 4 Sep 12	05-Sep-07	200,000	233,958	161,281
Unlisted options exercisable at $2.878; expiring 3 Mar 13	04-Mar-08	250,000	276,108	130,166
Unlisted options exercisable at $2.75; expiring 13 Oct 13	14-Oct-08	250,000	27,888	-
		18,286,404	12,076,195	9,607,766

	Date of movement			
Listed $0.178/$0.20 (30 June 2008) options	21-Apr-06	23,735,163	237,386	237,386
Option issue expenses			(2,042)	(2,042)
Options exercised	Apr 06 - Jun 06	(366,022)	-	-
Options exercised	Jul 06 - Jun 07	(9,959,222)	-	-
Options exercised	Jul 07 - Jun 08	(13,384,234)	-	-
Options exercised	Jul 08	(21,700)	-	-
		3,985	235,344	235,344
Total Option Reserve			12,311,539	9,843,110

On 8 July 2008, a further 21,700 Listed $0.178/$0.20 (30 June 2008) options were converted into shares. These shares were not issued as at balance date as the funds in respect of their exercise had not been cleared.

The Option Reserve records the consideration (net of expenses) received by the Company on the issue of options. In relation to options issued to Directors and Employees for nil consideration, the fair value of these options are included in the Option Reserve.

Equity based remuneration
On 14 October 2008, the Company issued 250,000 unlisted employee's options with an exercise price of $2.75 with a term of 5 years and a vesting period of 12 months (one third 3 months from issue date, one third 6 months thereafter and one third 6 months thereafter again) from the date of issue ($2.75 (13 October 2013) Unlisted Employee Options) to an employee.

The fair value of these options are expensed over the period from their date of grant to each respective vesting date; fair value is calculated using a Black Scholes options valuation model with an assumed volatility rate of 80% for the underlying SRK shares.

NOTES TO THE FINANCIAL STATEMENTS

for half year ended 31 December 2008

13. SEGMENT REPORTING

The Consolidated Entity is based in Australia but has investment exposure to resource projects in Indonesia and Peru.

	External Revenue		Operating Results	
Primary Reporting- Business segments	**31 Dec 08**	**31 Dec 07**	**31 Dec 08**	**31 Dec 07**
Segment Revenues & Results	**$**	**$**	**$**	**$**
Resource projects	-	-	(77,642,988)	(287,637)
Investments	4,593	12,168	(2,277,031)	(1,145,417)
	4,593	12,168	(79,920,019)	(1,433,054)
Unallocated	1,727,286	532,819	(3,977,250)	(4,617,352)
	1,731,879	544,987		
Loss before income tax			(83,897,269)	(6,050,406)
Income tax expense			-	-
Loss after income tax			(83,897,269)	(6,050,406)
Net profit/(loss) attributable to minority interests			1,871,426	-
			(82,025,843)	(6,050,406)

14. COMMITMENTS

	Consolidated	
	31 Dec 08	**30 Jun 08**
(a) Lease Commitments	**$**	**$**
Non-cancellable operating lease commitments:		
Not longer than one year	76,489	26,062
Between 12 months and 5 years	251,515	131,109
Greater than 5 years	-	-
	328,004	157,171

The lease is the Company's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

(b) Mineral Tenement/Concession/Mining Rights - Commitments for Expenditure

Australian tenements

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity is required to outlay lease rentals and meet minimum expenditure commitments of approximately $27,500 over a 12 month period), based on Australian tenements which have been granted as at balance date. Financial commitments for subsequent periods are contingent upon future exploration and evaluation results and cannot be estimated. These obligations are subject to renegotiation upon expiry of the tenement lease or when application for a mining lease is made and have not been provided for in the accounts.

Peruvian concessions

The Consolidated Entity is required to pay annual license fees by 30 June of each year, currently charged at the rate of US$3.00 per hectare per annum.

(c) Australian Heritage Protection Agreements

These agreements facilitate the preservation of aboriginal heritage through the protection of aboriginal sites and objects upon the grant of mining tenements in Western Australia. The Heritage Protection Agreements require the Consolidated Entity to conduct aboriginal heritage surveys prior to conducting exploration that is not low impact in nature and detail procedures to be followed if an aboriginal site is identified.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

14. COMMITMENTS (continued)

(d) Agreements with Peruvian Landowners and Community Groups

The Company notes that holding a mineral concession in Peru does not grant automatic access to the surface land. Notwithstanding an easement procedure is contemplated in Peruvian law, in practice, mining companies have to negotiate and enter into private agreements with landowners/community groups in order to have access to their land for the purposes of conducting mining activities (exploration, evaluation, development and mining). With respect to a majority of the Consolidated Entity's Peruvian concession, there are often multiple landowners/community groups who are affected by the Consolidated Entity's proposed mining activities. To date, approvals have been sought and obtained on drilling on a programme by programme basis.

The obtaining of approvals from landowners/community groups can be complicated and time consuming. The Consolidated Entity has experienced delays in dealing with certain community groups, particularly in the northern Andahuaylas district areas (where the Opaban I and III concessions are located). Accordingly drilling in several areas within the Apurimac project have not occurred whilst consultations are being conducted and permissions finalised. The Consolidated Entity will have to, at its election, commit funds to community groups and or landowners to secure land access agreements to develop the Apurimac and Cuzco projects in the future. There can be no guarantees as to the obtaining of such approvals or the terms upon which approvals are obtained. At this stage, it is not possible to quantify the potential financial obligation of the Consolidated Entity in this regard.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

15. CONTINGENT ASSETS AND LIABILITIES

The Company and Consolidated Entity has the following contingent assets and liabilities which may affect future operating results and the financial position of the Consolidated Entity.

The **AF Agreement** refers to an agreement dated 2 July 2006 between Strike and Peruvian companies, Apurimac Ferrum S.A. (**AF**), Minera los Andes y el Pacífico S.A. (**MAPSA**) and D&C Group S.A.C. (**D&C**) (and a more formal shareholders' agreement executed on 10 November 2006) pursuant to which Strike had secured the right to earn a 51% (or greater) interest in the AF through a progressive US$6.5 million equity investment into AF (to secure a 12.5% shareholding) and the exercise of two options (**Options**) to acquires a further 38.5% shareholding from AF from D&C and MAPSA (at a total cost of US$34.5 million), within a 5 year period. After such investment and acquisition, Strike would hold a 51% shareholding in AF with D&C and MAPSA each holding a 24.5% interest in AF.

The **MAPSA Agreement** refers to an agreement dated 1 February 2007 between Strike, Minera los Andes y el Pacífico S.A. (**MAPSA**) and shareholders of MAPSA (**MAPSA Shareholders**), pursuant to which Strike acquired a 70% interest in Iron Associates Corporation (**IAC**) (which holds a 24.5% shareholding interest in AF), in consideration for staged payments totalling US$10 million (being a combination of $6 million cash and the issue of 3 million Strike shares) over 2 years and a further US$10 million when production and sales from these projects first exceeds 20 million tonnes per annum.]

(a) Arbitration and D&C Claims - D&C has raised disputes, amongst other matters, over the validity of the Company's acquisition of a 70% shareholding in IAC (which holds a 24.5% shareholding in AF) (pursuant to the MAPSA Agreement) and the exercise of the Options (under the AF Agreement) by Strike. These disputes are currently the subject of arbitration proceedings before the Lima Chamber of Commerce (**LCC**) filed initially by Strike and followed subsequently by arbitration applications filed by D&C, all of which have been joined into a single arbitration process. D&C has also made allegations of irregularities associated with Strike's exercise of the Options and referred matters to the police, which have thereafter been referred to the office of the Peruvian District Attorney, which is currently in charge of conducting the investigation of D&C's claims and allegations. Strike views such actions as tactics by D&C to obstruct and delay Strike's arbitration proceedings.

Whilst each party has clearly stated its legal position against the other, both parties continue to investigate the possibility of a commercial settlement of the dispute.

The following summarises the background to this matter:

(1) On May 29, 2008 the Company exercised the Options to acquire a 38.5% shareholding interest in AF from D&C and MAPSA in consideration for US$34.5 million;

(2) D&C obtained a Judicial Precautionary Measure (**JPM**) against AF, comprising three orders:

  (a) for the provisional suspension (with respect to Strike, MAPSA and IAC) of the effects, rights and obligations derived from the AF Agreement. This order took legal effect on 14 July 2008;

  (b) for the provisional suspension of a share pledge agreement entered into by D&C and Strike (whereby D&C granted Strike certain voting rights in respect of its AF shares). This order took legal effect on 4 June 2008; and

  (c) for the provisional suspension (with respect to Strike, MAPSA and IAC) of the effects, rights and obligations contained in the MAPSA Agreement. This order was took legal effect on 30 May 2008;

(3) A JPM is an interim remedy under Peruvian law which the applicant applies for *ex parte* to the court - that is without notice to the party against whom the JPM is sought. It is designed to ensure the effectiveness of the final ruling and it is in force while the applicant pursues its substantive claim. Strike was served with the JPM and other court documents concerning such precautionary proceedings in Australia on 9 February 2009;

(4) The principal allegation from D&C was that the AF Agreement prescribed the manner in which Strike was to earn its 51% interest in AF (via an initial investment of US$6.5 million to gain 12.5% and the exercise of Options to acquire a further 38.5%, and no further shareholding interest) and that the IAC Transaction allowed Strike to gain control over a greater percentage of AF when it was not allowed, in D&C's opinion, to do so under the AF Agreement;

(5) On 6 June 2008, Strike filed its own arbitration request seeking, amongst other matters, a declaration that the IAC Transaction remains valid and binding on the parties (accordingly, reaffirming Strike's 17.15% interest in AF through IAC) and a declaration as to the validity of the exercise of the Options;

(6) Strike will be seeking substantial damages from D&C as a consequence of its actions in this matter;

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

(7) On 9 July 2008, the Peruvian Judiciary issued an order clarifying the JPM, to the effect that it was inapplicable to, and did not operate to prevent or set aside, the exercise of the Options effected by Strike. D&C's appeal against this order was dismissed on 29 January 2009;

(8) In a tactic which Strike believes was designed by D&C to obtain a perceived advantage in the civil dispute referred to above, in July 2008, D&C made a complaint to the Peruvian police alleging irregularities associated with Strike's exercise of the Options. Strike strongly rejects any assertions made by D&C and believes the proper forum for resolution of a civil dispute is via the prescribed dispute resolution mechanism under the AF Agreement, namely arbitration proceedings conducted by the LCC;

(9) On 26 August and 15 September 2008, D&C served arbitration proceedings on Strike seeking various declarations in relation to the subject matter of its dispute including the IAC Transaction, the exercise of the Options by Strike and the termination of the AF Agreement. The D&C arbitration proceedings substantially overlap the subject matter of Strike's own arbitration proceeding;

(10) The arbitration panel (**Panel**) to hear Strike's application was formally convened on 17 December 2008 and comprises 3 members;

(11) On 20 January 2009, the Panel resolved to combine the arbitration proceedings brought by Strike and D&C. A timetable has been set for the parties to the arbitration to file submissions and rebuttals during March 2009 with a hearing set for 2 April 2009 to establish the next procedural steps. Strike is advised by its Peruvian lawyers that the arbitration process may take a further 5 to 8 months for a final award on the arbitration process to be issued by the panel and such award may be the subject of an exceptional appeal (known as annulment action) before the Peruvian Judiciary under certain specific circumstances established in the law;

(12) Strike notes that it has paid all LCC fees due and payable under the arbitration proceedings but, as far as Strike is aware, D&C have not. ;

(13) On 12 February 2009, the Peruvian Judiciary which granted the original JPM resolved to transfer the JPM file to the Panel pursuant to standard procedure – the Panel now has jurisdiction over the resolution of matters raised in the JPM;

(14) On 13 March 2009, the Panel resolved precautionary measure applications filed by D&C, AF and MAPSA. The Panel has cancelled the D&C-obtained JPM against AF, which was effectively impeding the funding of the company, and called for a General Shareholders Meeting of AF to be held on 27 March 2009 for the shareholders to vote on a funding mechanism to provide AF with sufficient funds from its shareholders to continue its on-going operations and pay existing creditors. For such purposes, the Panel has eliminated any voting restriction on the shares held by IAC in AF and confirmed Strike's ability to vote the shares acquired from D&C as a result of the exercise of the respective Option. There is no assurance that an appropriate funding mechanism will be approved and established by the shareholders in such General Shareholders Meeting.

(c) Shareholder Loans advanced to AF - As at 30 June 2008, the Company had advanced US$5 million (~A$5.3 million) to Apurimac Ferrum S.A. (**AF**) as an unsecured interest bearing loan under the terms of the AF Agreement. Interest is accruing on this loan at LIBOR (London Interbank Offer Rate) plus 2% per annum. This loan is capable of conversion to equity in AF by Strike in accordance with the agreed dilution formula set out in the AF Agreement, at AF's determination. During the financial half year the Company has advanced a further US$0.8 million in unsecured loan funds to AF, accruing minimum interest at ~1.60% per annum. Total Strike loans to AF amounts to ~A$8.2 million as at 31 December 2008. If these loans are not converted into equity in AF, there is no assurance that an appropriate AF funding mechanism will be established that is satisfactory to AF and its shareholders and that this mechanism will result in AF raising sufficient funds to repay these loans to Strike.

(d) MAPSA Agreement/IAC Transaction - The Company has a contingent obligation to pay the MAPSA Shareholders (under the IAC Transaction) US$3.5 million by March 2009 and a further US$10 million when production and sales from the Apurimac and/or Cuzco projects first exceeds 20 million tonnes per annum. Iron Associates Corporation (**IAC**) has a contingent royalty obligation to the MAPSA Shareholders of between US$1.00 to $1.20 per tonne based on IAC's share of AF's sales of iron ore once AF has achieved 20 million tonnes of production; the royalty rate depends on whether the average FOB price of iron ore sold by AF is less than US$40 per tonne (US$1.00 royalty per tonne) or greater than US$55 per tonne (US$1.20 royalty per tonne); between such amounts, the royalty is payable on a pro-rata basis. The Company may also be liable to assume a US$5 million loan advanced by MAPSA to AF (under the AF Agreement) (repayable on a staged basis over 5 years and accrues interest at LIBOR plus 2% per annum). Given the resolution passed by the Panel on March 13 2009, lifting the JPM, MAPSA is now entitled to claim reimbursement of the aforementioned loan or performance of any other obligations under the MAPSA Agreement. However, the Company does not necessarily agree with the interpretation that MAPSA is giving to the MAPSA Agreement in connection with the performance of the obligations and/or entitlements of the parties thereunder and, on the basis of legal advice received, has reserved its rights in relation to the balance of its obligations under the MAPSA Agreement and has indicated to MAPSA that any determination in connection with such payments should be a matter

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

separate from the ongoing arbitration proceedings and resolved as per the dispute resolution provisions in the MAPSA Agreement.

(e) Cristoforo Agreement - On 18 May 2007, Strike Resources Peru SAC (the Peruvian subsidiary of the Company) entered into an assignment and option agreement with a Peruvian vendor in respect of three mineral concessions in the Apurimac District totalling 1,900 hectares, being the Cristoforo 14, Cristoforo 28 and Ferroso 29 concessions. The consideration payable for the assignment of mining rights to Strike Resources Peru SAC (or assignees) for a two year period is US$200,000, of which US$70,000 was paid on execution of the agreement and US$70,000 is payable after 12 months and US$60,000 is payable after 18 months. The option to acquire these three mineral concessions is for a period of two years and the exercise price is US$3 million.

(f) Native Title - The Consolidated Entity's tenements in Australia may be subject to native title applications in the future. At this stage it is not possible to quantify the impact (if any) that native title may have on the operations of the Consolidated Entity.

(g) Government Royalties - The Consolidated Entity is liable to pay royalties on production obtained from its mineral tenements/concessions. For example, the applicable Government royalties in Peru is between 1 to 3% based on the value of production. At this stage, it is not possible to quantify the potential financial obligation of the Consolidated Entity under Government royalties.

(h) Directors' Deeds - The Company has entered into deeds of indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as directors/officers of the Consolidated Entity. As at balance date, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(i) Production Royalty owed to PT Kaltim Jaya Baru (KJB) under Cooperation Agreement (Berau Coal Project) - By a cooperation agreement dated 12 April 2007 between Strike subsidiaries, Strike Operations Pty Ltd (**SOPL**) and PT Indo Batubara (**PTIB**) and PT Kaltim Jaya Bara (**KJB**), PTIB has acquired the right to exclusively conduct general survey activities, explore for, exploit, mine and sell coal and methane gas and other minerals in the concession area of 5,000 hectares comprising the Berau Coal Project. SOPL/PTIB is liable to pay KJB royalties of between US$1.00 to $8.00 per dry metric tonne of coal mined and sold from the concession area, depending on the calorific value of the coal (ranging from 5,000 to 6,300 KCal and above), the FOB barge price for the coal (ranging from US$33 to $80+ per dry metric tonne) and subject to a waste to ore ratio of no greater 12:1.

(j) New Mining Law in Indonesia - The mining rights underlying the Berau Coal Project were held in what are known as *Kuasa Pertambangan* (**KP**) under Indonesian mining law, owned by Strike's Indonesian joint venture partner, PT Kaltim Jaya Bara. A new mining law came into force in Indonesia on 12 January 2009 (**New Mining Law**). This law replaces the Mining Basic Provisions Law, which had governed mining rights in Indonesia since 1967. Under the New Mining Law, in order to continue exercising their rights, entities holding KPs at 12 January will be required to convert their KPs into a new type of mining right called an *Izin Usaha Pertambangan* or IUP. Strike notes that as at 12 January 2009, a valid KP was in force in relation to the Berau Coal Project. The KP has since expired. Under a circular issued by the Minister of Mineral and Energy Resources, Strike understands that KPs in existence as at 12 January will be converted into IUPs, once regulations are made specifying the process for doing so. Strike understands that the Indonesian Government is endeavouring to have the regulations finalised by mid 2009. Strike is in the same position as a number of other mining companies with interests in KPs that have expired post 12 January or which will expire before the regulations are issued. In addition, the New Mining Law provides for a new framework for other matters relating to the mining industry in Indonesia including the size of IUPs capable of being granted, the calculation of government royalties and the manner in which mining activity is to be conducted (in particular the priority use of local contractors). While the New Mining Law has been passed, its application will become clearer once regulations providing for its detailed implementation are issued. In light of this uncertainty, Strike has been working with its Indonesian legal advisers to determine whether the change in law is likely to affect its business. Based upon the legal advice received and the public comments made by the Indonesian Minister of Energy and Mineral Resources, Strike believes that the transition between the two legal regimes will be resolved such as to provide a reasonable degree of clarity with respect to its concession rights and its ability to conduct a coal mining operation. Strike is monitoring legal and other developments in Indonesia and any resulting effect on its business activities within the country.

(k) Future Capital Raising Fees – on 24 July 2008, Strike entered into a capital raising fee agreement with Ragnarok Capital Limited to procure the A$49.7 million share subscription by Gallagher Holdings Limited. Ragnarok is also entitled to fees associated with the participation of the Metalloinvest Group (being Gallagher, Metalloinvest plc and other related bodies corporate) in any future capital raising undertaken by Strike within a 5 year period. The fee structure is similar to what was paid to Ragnarok in respect of the A$49.7 million raised from Gallagher in July 2008.

NOTES TO THE FINANCIAL STATEMENTS
for half year ended 31 December 2008

16. EVENTS AFTER BALANCE DATE

(a) Various post-balance date developments in relation to arbitration proceedings and D&C's claims in Peru in relation to Strike's investment in AF and IAC are referred to in notes 15(a) to (c).

(b) A new mining law came into force in Indonesia on 12 January 2009 as referred to in note 15(j).

(c) On 4 January 2009, 250,000 unlisted employee's options (with an exercise price of $2.878 each and expiring on 16 November 2012) 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.

(d) On 6 March 2009, Strike entered into an exclusivity agreement (expiring 15 April 2009) with a joint venture consortium developing a 300 megawatt Indian power station to exclusively conduct due diligence and evaluation of the Berau Coal Project in relation to entering into (up to a 50%) a joint venture and (up to a 100%) off-take agreement with respect to the Berau Coal Project. Strike has received a refundable US$250,000 deposit under the agreement.

No other matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Strike Resources Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the directors:

(a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and

   (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

John Stephenson
Chairman

Shanker Madan
Managing Director

18 March 2009

BDO Kendalls

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF STRIKE RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Strike Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Strike Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Strike Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

Brad McVeigh
Director

Dated this 18th day of March 2009
Perth, Western Australia

SECURITIES INFORMATION
as at 16 March 2009

ISSUED CAPITAL

	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
$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**	**18,136,404**	**148,170,672**

DISTRIBUTION OF ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	623	353,695	0.272%
1,001	-	5,000	1,738	5,490,650	4.222%
5,001	-	10,000	658	5,282,988	4.063%
10,001	-	100,000	829	25,456,189	19.577%
100,001	-	and over	86	93,450,746	71.866%
Total			**3,934**	**130,034,268**	**100.00%**

SUBSTANTIAL SHAREHOLDERS

Date of last substantial holder notice	Substantial Shareholder(s)	Registered Shareholder(s)	Total Shares Held	% Issued Capital
4 March 2009	Gallagher Holdings Limited and associated parties	ANZ Nominees Limited (18,068,086 shares) and Nefco Nominees Pt Ltd (7,757,823 shares)	25,825,909	19.86%
13 August 2008	Farooq Khan and associated parties	Farooq Khan (530,010 shares) and Orion Equities Limited (12,990,802 shares)	13,520,812	10.4%
13 August 2008	Orion Equities Limited and associated parties	Orion Equities Limited	12,990,802	9.99%
14 August 2008	Database Systems Limited and associated parties	Database Systems Limited	9,377,090	7.21%

SECURITIES INFORMATION
as at 16 March 2009

TOP 20 ORDINARY FULLY-PAID SHAREHOLDERS

Rank	Shareholders		Total Shares	% Issued Capital
1	ANZ NOMINEES LIMITED <CASH INCOME A/C>		24,632,535	18.943
2	ORION EQUITIES LIMITED		13,190,802	10.144
3	DATABASE SYSTEMS LIMITED		9,377,090	7.211
4	CITICORP NOMINEES PTY LIMITED	8,169,490		
	CITICORP NOMINEES PTY LIMITED <DPSL A/C>	227		
		Sub total	8,169,717	6.283
5	QUECHUA INVESTMENTS LIMITED		6,370,000	4.899
6	NEFCO NOMINEES PTY LTD		5,937,669	4.566
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,036,617		
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 3	2,027,716		
		Sub total	3,069,580	2.361
8	NATIONAL NOMINEES LIMITED		2,543,914	1.956
9	EMPIRE HOLDINGS PTY LTD		1,400,000	1.077
10	PATER INVESTMENTS PTY LTD		1,325,000	1.019
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	MR GEORGE BRYANT MACFIE		634,846	0.488
14	ALIANA PTY LTD <MARK SUHR SUPER FUND A/C>		560,000	0.431
15	FAROOQ KHAN		530,010	0.408
16	SUNSHORE HOLDINGS PTY LTD		520,830	0.401
17	MRS ANUPAM SHOBHA MADAN & MR HEM SHANKER MADAN		500,000	0.385
18	ALARA RESOURCES LIMITED		500,000	0.385
19	RENMUIR HOLDINGS LIMITED		487,428	0.354
20	M & M HOLDINGS PTY LTD		400,000	0.308
Total			**81,919,421**	**62.98%**