

STRIKE

RESOURCES LIMITED

JUNE 2009 QUARTERLY REPORT

For the 3 months to 30 June 2009

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Date: 31 July 2009

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SUMMARY

- **Cash Position** - Strong cash position of ~\$58m million (30 June). This compares with Strike's market capitalisation of \$57m (based on closing price of \$0.44 per share as at 30 June). The closing share price was \$0.58 as at 31 July 2009, giving Strike a market capitalisation of A\$75m.
- **Positive Settlement of Peru Arbitration and Disputes** - On 27 July 2009, Strike announced that it had reached a comprehensive settlement with its partners in Peru, through which all legal disputes regarding Strike's interest in Peruvian company Apurimac Ferrum S.A. (AF) have been fully resolved. Key details of the settlement are as follows:
 - All legal proceedings between the parties will be terminated;
 - Strike emerges from the settlement with a direct 44% equity interest in AF, an option to move to 63% for US\$21.1 million and potentially to 100% through a 'shootout offer' mechanism which can be initiated at Strike's election; and
 - Strike's net liabilities to its partners D&C and MAPSA, totalling approximately US\$24.25 million have been cancelled. Strike may instead, at its election, advance to AF up to US\$20 million over the next 3 years to progress development of AF's iron ore concessions, secured with a first registered mortgage over AF's concessions.
- **Berau Coal (Indonesia)** - On 11 June 2009, Strike announced the completion of a feasibility study on the development of an open-cut contract mining operation with production scaling up from 1.5 Mtpa to 3 Mtpa. The study has confirmed that the Berau Project has the potential to generate an annual operating surplus of approximately US\$33m, with:
 - total capital cost of approximately US\$19m and average operating costs of approximately US\$41 per tonne; and
 - a run of mine coal product of medium calorific value of 5,400-5,600 kcal/kg GAR with low sulphur - 0.66%, as received (AR); ash - 7.3%, AR and total moisture - 16.6%, AR.

Strike has executed Heads of Agreement with two customers - CNBM International Corporation (CNBM) of China and Formosa Plastics Group (FPG) of Taiwan. These agreements provide for the sale of an aggregate 2.4 Mt of coal over a two year period and are each subject to execution of a formal agreement.

Strike has commenced a ~6,000m drilling campaign on the Nyapa East block. 51 holes have so far been drilled for ~5,000m.

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COMPANY PROFILE

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

PROJECTS	LOCATION	Interest Held by Strike
(1) Berau Thermal Coal	East Kalimantan, Indonesia	100%
(2) Apurimac Iron Ore	Apurimac District, Peru	44% (with potential to increase to 100%)
(3) Cuzco Iron Ore	Cuzco District, Peru	44% (with potential to increase to 100%)

ABOUT THE 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.

Strike has recently completed a Feasibility Study¹ which focussed on the development of an open-cut contract mining operation with production scaling up from 1.5 Mt per annum (Mtpa) to 3 Mtpa.

The study has confirmed that the Berau Project has the potential to generate an annual operating surplus of approximately US\$33m, with:

- total capital cost of approximately US\$19m;
- average operating costs of approximately US\$41 per tonne;
- a projected coal price of approximately US\$52/tonne, FOB ship;
- a run of mine coal product of medium calorific value of 5,400-5,600 kcal/kg GAR with low sulphur - 0.66%, as received (AR); ash - 7.3%, AR and total moisture - 16.6%, AR; and
- a development timetable of 8 months from receipt of development approvals to production.



Mining will be an open-pit operation undertaken by a contract miner. Coal will then be transported by truck along a 30km road to a new barge port on the Segah River, where it will be stockpiled. Barges will then collect the coal and transport it 90km to the coast and then on to a trans-shipment point located 30km offshore, where the coal will be offloaded to ships for delivery to customers.

There is an established coal mining industry in the region. Other coal operators regularly barge coal down the Segah River for trans-shipment. It is envisaged that the coal from the project will be sold to one or more power station operators and/or industry consumers in South East Asia. In this regard, Strike has recently signed two Heads of Agreement for the sale of 2.4 million tonnes of coal over two years.

JORC Resources and Reserves

Blocks within the concession	Coal Resources (Mt)			
	Measured	Indicated	Inferred	Sub-Total
Nyapa West block	1.8	8.6	3.6	14.0
Nyapa East block	-	-	6.8	6.8
Total	1.8	8.6	10.4	20.8

Probable Reserves(Mt)	Calorific Value kcal/kg (gross as received)	Total Sulphur (as received)	Ash (ar)	Total Moisture (ar)
7.7 Mt (within the Nyapa West block)	5,546	0.66%	7.3%	16.6%

Coal Resources are reported inclusive of Coal Reserves: that is Coal Reserves are not additional to Coal Resources.

¹ 11 June 2009 ASX announcement entitled "Completion of Feasibility Study"

COMPANY PROFILE

ABOUT THE PERUVIAN IRON ORE PROJECTS

- (1) **Apurimac Project:**
(44% with potential to increase to 100%, Apurimac Region, Peru)

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

- (2) **Cuzco Project:**
(44% with potential to increase to 100%, Cuzco Region, Peru)

This project comprises 23 concessions totalling ~17,963 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.



Strike has completed a [Pre-Feasibility Study](#)² (PFS) on its Apurimac Iron Ore Project, which focuses on the development of a 20 million tonnes per annum mining operation with iron ore concentrate transported by slurry pipeline to the coast. The PFS has confirmed that the Apurimac Iron Ore Project has the potential to become a highly profitable world class iron ore operation, with:

- Average operating costs (OPEX) of approximately US\$14.50 per tonne;
- Total capital cost (CAPEX) of approximately US\$2.3 billion; and
- High quality product grading +68% Fe, very low in alumina, phosphorous and other impurities.

JORC RESOURCES

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% Fe³ to a JORC Indicated Resource of 133.5 million tonnes at 59.40% Fe:

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

² [23 July 2008 ASX 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"](#)

1. Berau Thermal Coal Project

(100%, East Kalimantan, Indonesia)

Feasibility Study

On 11 June 2009, Strike announced the completion of a feasibility study on the development of an open-cut contract mining operation with production scaling up from 1.5 Mtpa in year one to 3 Mtpa in later years. Coal will be transported by truck along a 30km road (to be constructed) to a new barge port on the Segah River, where it will be stockpiled. Barges will then collect the coal and transport it 90km to the coast and then on to a trans-shipment point located 30km offshore, where the coal will be offloaded to ships for delivery to customers.

Please refer to Strike's ASX announcement entitled "[Completion of Feasibility Study](#)" for further details on the results of the feasibility study (a copy of which is included as [Annexure A](#) to this Quarterly Report).

Project Development

During the June quarter and to the date of this report:

- On 30 May 2009, Strike executed a contract to purchase a parcel of land on the Segah River to construct its barging port. Completion is expected to occur in August 2009;
- The AMDAL (Environmental and Social Impact Assessment) and related technical and community reports have been submitted to the local communities and local government authorities as a precursor to a consultative process for the grant of a production licence. An initial series of meetings have been set for 5 and 6 August 2009 to present these reports to relevant stakeholders;
- Tenders for road development and other civil works at the mine and port sites and construction of mine and barge port infrastructure have been invited from Indonesian and overseas parties. Tenders will be closing on 21 August 2009;
- Consultations with local communities, land owners, concession holders and government authorities are continuing, in order to facilitate the securing of all necessary approvals for road access and mine development and the acquisition of privately held freehold land;
- In this regard, royalty agreements have been signed with local communities affected by the proposed mining operations.

Coal Sale Heads of Agreements

Strike has executed Heads of Agreement with two customers - CNBM International Corporation (CNBM) of China and Formosa Plastics Group (FPG) of Taiwan. These agreements provide for the sale of 1.2 Mt of coal over a two year period to each of CNBM and FPG.

Please refer to Strike's ASX announcement entitled "Berau Project Coal Sale Heads Agreement" for further details on these matters (a copy of which is included as [Annexure B](#) to this Quarterly Report).

Strike continues to investigate further marketing opportunities in India, China and South-East Asia.

Project Offer

An offer to buy 100% of the Berau Coal Project was received from a joint venture consortium developing a 300 megawatt power station in India. The terms proposed by the consortium were not acceptable to Strike and the offer was rejected.

COMPANY PROJECTS

JORC Coal Resources and Reserves⁴

The current JORC Coal Resources and Coal Reserves are based upon a 5,500m diamond-core drilling campaign completed in March 2009, which built upon previous drilling campaigns totalling 4,500m.

Drilling has been conducted to the west (Nyapa West Block) and east (Nyapa East Block) of the Kelai River, which passes through the concession.

Coal Resources

Blocks within the concession	JORC Coal Resources (Mt)			
	Measured	Indicated	Inferred	Sub-Total
Nyapa West block	1.8	8.6	3.6	14.0
Nyapa East block	-	-	6.8	6.8
Total	1.8	8.6	10.4	20.8

The in situ coal at Nyapa West block is of sub bituminous rank, with the following average qualities:

- Medium Calorific Value (CV) 5,605 kcal/kg (gross as received, gar);
- Total Moisture (TM) 16.6%;
- Ash 5.8% - air dried basis (adb);
- Sulphur 0.71% (adb).

The coal in the Nyapa East block is of a similar quality.

Coal Reserves

Within the 14Mt Coal Resources in the Nyapa West block described above, 7.7 Mt of Open Cut Coal Probable Reserves have been estimated:

Probable Reserves(Mt)	Calorific Value kcal/kg (gross as received)	Total Sulphur (as received)	Ash (ar)	Total Moisture (ar)
7.7 Mt (within the Nyapa West block)	5,546	0.66%	7.3%	16.6%

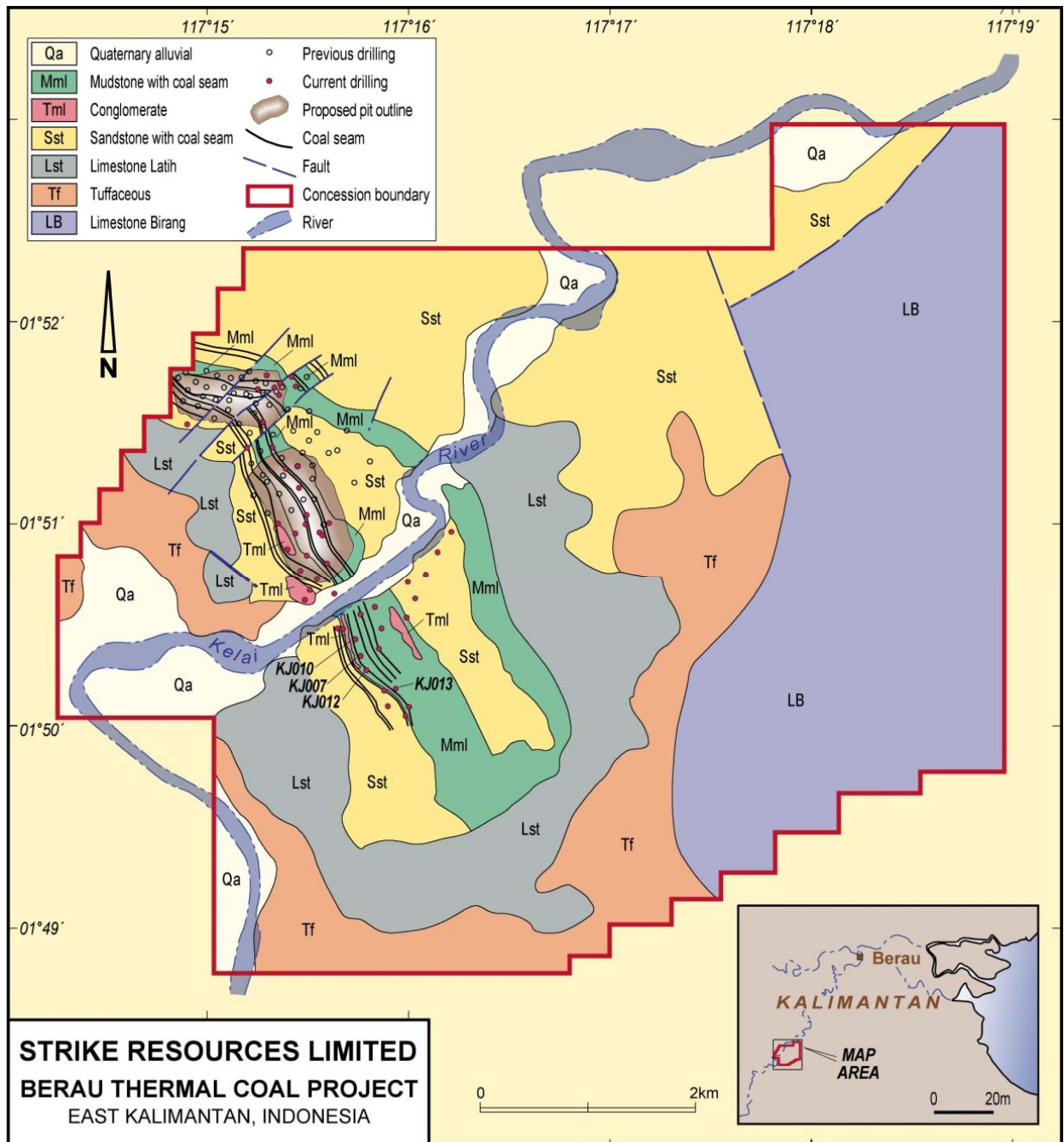
The coal will be sold as a run of mine (ROM) product; hence Marketable Reserves will equal Coal Reserves.

Coal Resources are reported inclusive of Coal Reserves: that is Coal Reserves are not additional to Coal Resources.

⁴ The information in this document that relates to Coal Mineral Resources has been compiled by Mr William Park (BSc (Geology), BEcon, MAIG) who is a member of the Australian Institute of Geoscientists and the information in this document that relates to Coal Ore Reserves has been compiled by Mr Michael Trainor (BE (Mining), MAusIMM) who is a Member of The Australian Institute of Mining and Metallurgy. Mr Park and Mr Trainor are employees of Minarco-MineConsult Pty Ltd. Mr Park and Mr Trainor have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Park and Mr Trainor consent to the inclusion in this document of the matters based on their information in the form and context in which it appears.

COMPANY PROJECTS

The figure below shows the concession area over geological mapping:



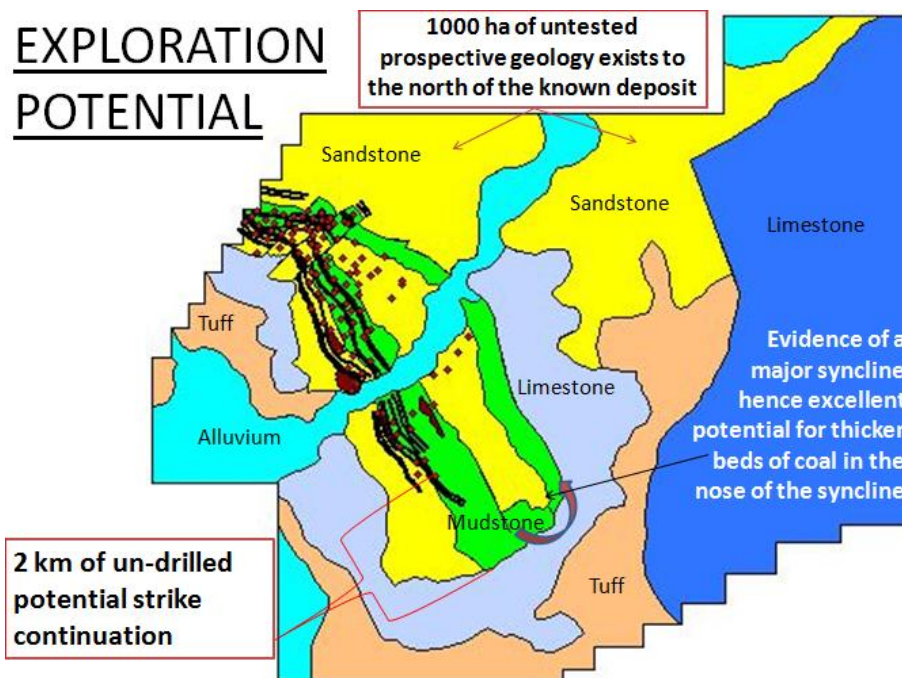
COMPANY PROJECTS

Resource Expansion

The current 20.8 Mt JORC Resource is based upon ~10,000m of drilling along a 3km strike length out of a total strike length of 5km. Intermittent occurrences of outcropping coal have been mapped all along the 5km strike length, leaving 2km of strike along which Strike expects to outline an additional resource.

In particular, within the Nyapa East block, Strike notes that:

- the deposit comprising the 6.8Mt JORC Inferred Resource remains open and untested along a further 2km strike to the south-east in the “nose” of the syncline, where intermittent occurrences of outcropping coal have been mapped. This is depicted in the figure below;



- 9 coal seams have been identified in the area - Seam C5 averages 4.5m (ranging from 3.4m to 5.7m) and Seam C7 averages 4.1 m (ranging from 3.5m to 5.7m);
- such seams appear to be a continuation of the seams encountered within the Nyapa West block on the other side of the Kelai River, but appear to thicken as they cross under the river into the Nyapa East block;
- the occurrence of these relatively thick seams suggests the potential for a lower strip ratio if mining commences in that block; and
- the resource estimation was based upon coal seams extending to depth of -50m reduced level (RL) (compared with the ~100m RL nominal depth to which the Coal Resource in the Nyapa West block have been estimated) - this suggests the potential to further expand the resource in the Nyapa East block through deeper drilling.

Strike has therefore commenced a ~6,000m drilling campaign on the Nyapa East block with the following objectives:

- obtain geotechnical information to determine mining conditions and to plan an open-cut mine on the Nyapa East block, in addition to the mine currently planned for the Nyapa West block;
- convert some or all of the current 6.8Mt Inferred Resource to Indicated status; and
- explore the resource potential to the southeast of the currently-drilled areas.

COMPANY PROJECTS

51 holes have so far been drilled for ~5,000m within Nyapa East block. ~4,000m has been drilled open hole and ~1,000m has been drilled full core. All holes have been geophysically logged. Two drill rigs are currently onsite working to complete the remaining ~1,000m of the drilling campaign.

[Golder Associates](#) have commenced a hydrogeological, geotechnical and acid mine drainage assessment within the Nyapa East block.

A LIDAR (light detection and ranging) survey will also commence in August 2009, which will provide a detailed topographic survey for the concession area, enabling detailed mine planning and potentially an upgrade in the JORC resource estimates.

New Mining Law in Indonesia

The mining rights underlying the Berau Coal Project are 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) under which KPs will be converted into a new type of mining right called an *Izin Usaha Pertambangan* or IUP.

While the New Mining Law has been passed, its application (including the process for conversion of KPs into IUPs) will become clearer once regulations providing for its detailed implementation are issued.

As at the date of this Quarterly Report, the final Implementing Regulations have not been issued.

2. Apurimac and Cuzco Iron Ore Projects

(44% with potential to increase to 100%, Apurimac and Cuzco Regions, Peru)

Apurimac Pre-Feasibility Study

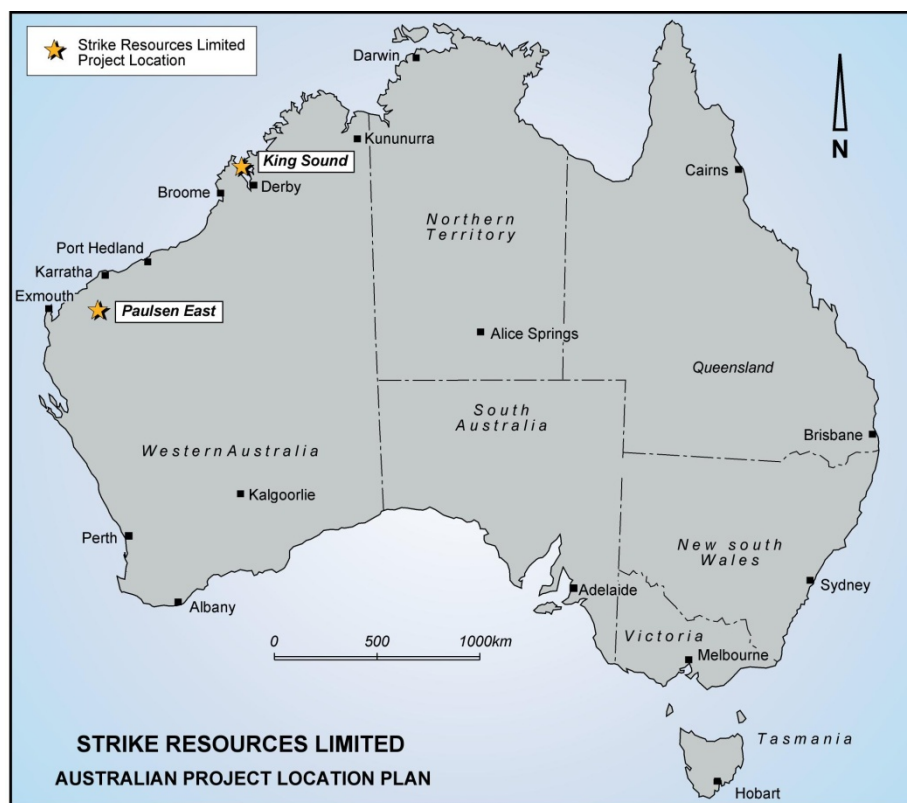
Strike has completed a [Pre-Feasibility Study](#)⁵ (PFS) on its Apurimac Iron Ore Project, which focuses on the development of a 20 million tonnes per annum mining operation with iron ore concentrate transported by slurry pipeline to a new port at Tres Hermanas, near the town of San Juan. The PFS has 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; and
- High quality product grading +68% Fe, very low in alumina, phosphorous and other impurities

As reported in the December 2008 Half Year Report (dated 18 February 2009), in light of tight credit and capital markets, reduced commodity prices and the dispute with its local partner (D&C Group) in AF, Strike had determined to significantly reduce its expenditure in Peru until the dispute was resolved and/or credit, capital and commodity markets showed clear signs of recovery.

As a consequence of the recent settlement with D&C Group and MAPSA (refer Corporate section below), Strike is currently undertaking a review of its objectives, plans and timetable with respect to the exploration and development of the Apurimac and Cuzco Iron Ore Projects.

5 [23 July 2008 ASX announcement entitled "Pre-Feasibility Results Confirm World Class Prospects for Apurimac Project in Peru"](#)



3. King Sound Mineral Sands Project

(30%, West Kimberley Region, Western Australia)

Strike had, through a joint venture (JV) with ASX listed Alara Resources Limited (Alara), a 30% interest (free-carried until decision to mine) in the King Sound Mineral Sands Project, comprising three tenement applications covering a total area of 652 square kilometres, located approximately 10 kilometres west of the port town of Derby in the West Kimberley region of Western Australia.

The traditional owners have informed the JV that they are not prepared to consent to any exploration on the tenements due to the cultural significance of the area and have respectfully requested that the tenement applications be withdrawn.

In light of the significant cultural importance of this area and the prospect for significant opposition to future works, the JV parties have recently agreed to withdraw the tenement applications and terminate the JV in respect of these tenements.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves (other than Coal) has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Cash Position

The Strike group's cash (and investments in listed securities) position as at 30 June 2009 was ~A\$58m, including exposure to ~US\$11m held in at call accounts and term deposits.

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

These foreign currencies are applicable to and facilitate Strike's group operations and activities in Peru and Indonesia.

Positive Settlement of Peru Arbitration and D&C Claims

Strike 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.⁶ These disputes were the subject of an arbitration proceeding before the Lima Chamber of Commerce (LCC).

On 27 July 2009, Strike announced that it had reached a comprehensive settlement with its partners in Peru, through which all legal disputes regarding Strike's interest in Peruvian company Apurimac Ferrum S.A. (AF) have been fully resolved.

Key details of the settlement are as follows:

- All legal proceedings between the parties will be terminated;
- Strike emerges from the settlement with a direct 44% equity interest in AF, an option to move to 63% for US\$21.1 million and potentially to 100% through a 'shootout offer' mechanism which can be initiated at Strike's election; and
- Strike's net liabilities to its partners D&C and MAPSA, totalling approximately US\$24.25 million have been cancelled. Strike may instead, at its election, advance to AF up to US\$20 million over the next 3 years to progress development of AF's iron ore concessions, secured with a first registered mortgage over AF's concessions.

Please refer to Strike's ASX announcement entitled ["Positive Settlement of Disputes in Peru"](#) for further details on the terms of the settlement (a copy of which is included as [Annexure C](#) to this Quarterly Report).

⁶ 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"](#); 31 January 2009 ["December 2008 Quarterly Report"](#); 18 March 2009 ["December 2008 Half Year Report"](#), 15 April 2009 entitled ["Company Update"](#), 30 April 2009 ["March 2009 Quarterly Report"](#) and 27 July 2009 entitled ["Positive Settlement of Disputes in Peru"](#).

PERUVIAN CONCESSIONS

APURIMAC PROJECT

CONCESSION NAME	AREA (hectares)	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(1) Opaban I	999.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006349X01	No. 8625-94/RPM dated December 16, 1994	20001465
(2) Opaban III	990.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006351X01	No. 8623-94/RPM dated December 16, 1994.	20001464
(3) Los Andes I	999.00	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	05006372X01	No. 0134-95-RPM dated January 31, 1995.	200001481
(4) Pitumarca II	1,000.00	Pampachiri	Andahuaylas	Andahuaylas (28-P).	05006385X01	No. 8686-94-RPM dated December 22, 1994.	20001478
(5) Lucrecia Esperanza	66.43	Pampachiri	Andahuaylas	Chalhuaná (29-P).	01-00649-99	No. 00623-2001- INACC/J dated July 26, 2001.	11032475
(6) Nueva Oropampa 6	400.00	Pampachiri	Andahuaylas	Chalhuaná (29-P).	01-00860-99	No. 04043-2000-RPM dated October 13, 2000.	11032603
(7) Mapsa 2001	800.00	San Jerónimo / Pacucha	Andahuaylas	Andahuaylas (28-P).	01-01204-01	No. 00590-2002- INACC/J dated April 8, 2002.	11032600
(8) Coriminas II	1,000.00	Pampachiri / Sañayca / Capay	Andahuaylas	Chalhuaná (29-P).	01-01624-99	No. 02760-2000-RPM, dated July 25, 2000.	11032965
(9) Coriminas V	1,000.00	Pampachiri	Andahuaylas	Chalhuaná (29-P).	01-01626-99	No. 0936-00-RPM dated March 16, 2000.	20003140
(10) Ferrum 1	965.06	Andahuaylas / San Jerónimo	Andahuaylas	Andahuaylas (28-P).	01-02983-04	No. 00228-2005- INACC/J dated January 19, 2005.	11053798
(11) Ferrum 2	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (28-P).	01-02984-04	No. 00227-2005- INACC/J dated January 19, 2005.	11053836
(12) Ferrum 3	1,000.00	Andahuaylas / San Jerónimo	Andahuaylas	Andahuaylas (28-P).	01-02985-04	No. 00229-2005- INACC/J dated January 19, 2005.	11053807
(13) Ferrum 4	1,000.00	San Jerónimo / Lucre	Andahuaylas / Aymaraes	Andahuaylas (28-P).	01-02986-04	No. 00230-2005- INACC/J dated January 19, 2005.	11053810
(14) Ferrum 5	959.43	Lucre	Aymaraes	Andahuaylas (28-P).	01-02987-04	No. 00323-2005- INACC/J dated January 25, 2005.	11053816
(15) Ferrum 7	437.00	San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02989-04	No. 00396-2005- INACC/J dated January 27, 2005.	11053822
(16) Ferrum 8	900.00	Andahuaylas / Talavera	Andahuaylas	Andahuaylas (28-P).	01-02990-04	No. 00232-2005- INACC/J dated January 19, 2005.	11053827
(17) Ferrum 9	1,000.00	Lucre / San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02991-04	No. 00324-2005- INACC/J dated January 25, 2005.	11053830
(18) Ferrum 10	1,000.00	San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02992-04	No. 00325-2005- INACC/J dated January 25, 2005.	11053833
(19) Ferrum 11	1,000.00	Lucre / San Juan de Chacña	Aymaraes	Andahuaylas (28-P).	01-02993-04	No. 02512-2005- INACC/J dated June 12, 2005.	11053835
(20) Ferrum 13	600.00	Andahuaylas / Pacucha / San Jerónimo / Talavera	Andahuaylas	Andahuaylas (28-P).	01-03139-06	No. 4416-2006- INACC/J dated October 16, 2006	11061068
(21) Ferrum 26	827.51	Andahuaylas	Andahuaylas	Andahuaylas (28-P).	01-02274-07	No. 000853-2007- INGEMMET/PCD/PM dated September 07, 2007.	11073793
(22) Ferrum 27	1,000.00	Pacucha / San Jerónimo / Andahuaylas	Andahuaylas	Andahuaylas (28-P).	01-02629-07	No. 000581-2007- INGEMMET/PCD/PM dated September 05, 2007.	11073799
(23) Ferrum 36	1,000.00	San Jerónimo / Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10553307	Feb. 29, 2008 RP. 0176-2008- INGEMMET/PCD/PM	11075418
(24) Cristoforo 22	379.52	Andahuaylas / San Jerónimo	Andahuaylas	Andahuaylas (29-P).	01-01656-02	Dec. 13, 2007 RP2849-2007- INGEMMET/PCD/PM	11067786
(25) Ferrum 28	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10507407	Mar. 07, 2008 RP0601-2008- INGEMMET/PCD/PCM	11075423

PERUVIAN CONCESSIONS

CONCESSION NAME	AREA (hectares)	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TITLE	FILE NUMBER
(26) Ferrum 29	1,000.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10507507	Mar. 07, 2008 RP0365-2008- INGEMMET/PCD/PM	11075419
(27) Ferrum 30	963.20	Tumay Huaraca	Andahuaylas	Chalhuaná (29-P).	10525907	May. 05, 2008 PP 1024-2008- INGEMMET/PCD/PM	11076757
(28) Ferrum 31	327.24	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10552807	May. 12, 2008 RP 1266-2008- INGEMMET/PCD/PM	11076509
(29) Ferrum 32	900.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10552907	Mar. 07, 2008 RP0402-2008- INGEMMET/PCD/PM	11075425
(30) Ferrum 33	900.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10553007	Mar. 07, 2008 RP0547-2008- INGEMMET/PCD/PM	11075421
(31) Ferrum 34	800.00	San Jerónimo	Andahuaylas	Andahuaylas (29-P).	10553107	Apr. 17, 2008 RP0764-2008- INGEMMET/PCD/PM	11075427
(32) Ferrum 35	1,000.00	San Jerónimo / Kishuara	Andahuaylas	Andahuaylas (29-P).	10553207	Mar. 07, 2008 RP0347-2008- INGEMMET/PCD/PCM	11075426
(33) Ferrum 37	695.34	Andahuaylas / Kishuara / Talavera	Andahuaylas	Andahuaylas (29-P).	10621507	May. 12, 2008 RP 1164-2008- INGEMMET/PCD/PM	11076534
(34) Ferrum 56	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133508	Jun 19, 2008 RP 1971-2008- INGEMMET/PCD/PM	11077123
(35) Ferrum 57	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133608	Sept. 9, 2008 RP 3279-2008- INGEMMET/PCD/PM	in process
(36) Ferrum 58	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133708	Jun 27, 2008 RP 2206-2008- INGEMMET/PCD/PM	11077127
(37) Ferrum 59	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133808	Jun 27, 2008 RP 2272-2008- INGEMMET/PCD/PM	11077122
(38) Pacunco 1	800.00	Kishuara	Andahuaylas	Andahuaylas (29-P).	10019508	May 29, 2008 RP 1806-2008- INGEMMET/PCD/PM	11076523
(39) Minas Huaycco	800.00	Circa	Abancay	Abancay (28Q)	10168708	Aug. 08, 2008 RP 2541-2008- INGEMMET/PCD/PM	11081416
(40) Cassio 100	400.00	Tumay Huaraca	Andahuaylas	Chalhuaná (29-P).	10182808	Sept. 10, 2008 RP 3321-2008- INGEMMET/PCD/PM	11081415
(41) Ferrum 38	800.00	Turpo/ Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10015205	May. 12, 2008 RP1288-2008- INGEMMET/PCD/PM	11064280
(42) Ferrum 39	1,000.00	Andahuaylas / Turpo	Andahuaylas	Andahuaylas (29-P).	10047605	May 29, 2008 RP 1573-2008- INGEMMET/PCD/PM	11064281
(43) Ferrum 40	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10623507	Aug 19, 2008 RP 2905-2008- INGEMMET/PCD/PM	11076528
(44) Ferrum 41	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131408	Jun 19, 2008 RP 1965-2008- INGEMMET/PCD/PM	11076755
(45) Ferrum 42	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131508	Jun 19, 2008 RP 1975-2008- INGEMMET/PCD/PM	11077114
(46) Ferrum 43	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131608	Sept. 9, 2008 RP 3243-2008- INGEMMET/PCD/PM	11077113
(47) Ferrum 44	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10131908	Jun 19, 2008 RP 1934-2008- INGEMMET/PCD/PM	11077115
(48) Ferrum 45	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132008	Jun 27, 2008 RP 2283-2008- INGEMMET/PCD/PM	11077116
(49) Ferrum 46	1,000.00	Tumay Huaraca / Turpo / Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132108	Aug. 08, 2008 RP 2523-2008- INGEMMET/PCD/PM	11079784
(50) Ferrum 47	1,000.00	Andahuaylas / Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	10132208	Jun 18, 2008 RP 1908-2008- INGEMMET/PCD/PM	11077117
(51) Ferrum 48	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132308	May 29, 2008 RP 1756-2008- INGEMMET/PCD/PM	11076584

PERUVIAN CONCESSIONS

CONCESSION NAME	AREA (hectares)	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TITLE	FILE NUMBER
(52) Ferrum 49	1,000.00	Andahuaylas / Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	10132408	Jun 19, 2008 RP 2000-2008- INGEMMET/PCD/PM	11077118
(53) Ferrum 50	900.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132508	Jun 19, 2008 RP 1922-2008- INGEMMET/PCD/PM	11077120
(54) Ferrum 51	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132608	Jun 18, 2008 RP 1893-2008- INGEMMET/PCD/PM	11077121
(55) Ferrum 52	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132708	Aug 18, 2008 RP 2803-2008- INGEMMET/PCD/PM	11079786
(56) Ferrum 53	1,000.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10132808	Aug. 08, 2008 RP 2550-2008- INGEMMET/PCD/PM	11079787
(57) Ferrum 54	700.00	Colcabamba	Andahuaylas	Andahuaylas (29-P).	10132908	Aug. 19, 2008 RP 2899-2008- INGEMMET/PCD/PM	11079788
(58) Ferrum 55	800.00	Andahuaylas	Andahuaylas	Andahuaylas (29-P).	10133408	Aug. 19, 2008 RP 2951-2008- INGEMMET/PCD/PM	11079789
(59) Ferrum 60	200.00	Abancay	Abancay	Abancay (28Q)	10073208	Aug. 19, 2008 RP 2986-2008- INGEMMET/PCD/PM	in process
(60) Ferrum 62	900.00	Lambrama	Abancay	Abancay (28Q)	10073408	Sept . 8, 2008 RP 3177-2008- INGEMMET/PCD/PM	in process
(61) Ferrum 63	300.00	Curpahuasi	Grao	Abancay (28Q)	10073008	Aug. 28, 2008 RP 3040-2008- INGEMMET/PCD/PM	11076586
(62) Pichirhua 1	800.00	Pichirhua	Abancay	Andahuaylas (29-P).	10151708	Aug. 11, 2008 RP 2638-2008- INGEMMET/PCD/PM	11079794
(63) Pichirhua 2	400.00	Pichirhua	Abancay	Andahuaylas (29-P).	10151808	Sept . 8, 2008 RP 3183-2008- INGEMMET/PCD/PM	11081445
(64) Colcabamba 1	600.00	Lucre/ Colcabamba	Aymaraes	Andahuaylas (29-P).	10212308	Aug. 19, 2008 RP 2986-2008- INGEMMET/PCD/PM	11079780
(65) Colcabamba 2	500.00	Lucre/ Colcabamba	Aymaraes	Andahuaylas (29-P).	10212408	Sept . 8, 2008 RP 3177-2008- INGEMMET/PCD/PM	11081451
(66) Colcabamba 3	900.00	Colcabamba/ Toraya	Aymaraes	Andahuaylas (29-P).	10217208	Aug. 28, 2008 RP 3040-2008- INGEMMET/PCD/PM	11079781
(67) Sillaccassa 1	700.00	Santa Maria de Chicmo	Andahuaylas	Chincheros (28- O)	10212608	Nov. 19, 2008 RP 5088-2008- INGEMMET/PCD/PM	in process
(68) Sillaccasa 2	400.00	Santa Maria de Chicmo	Andahuaylas	Chincheros (28- O)	10212508	Sept . 8, 2008 RP 3183-2008- INGEMMET/PCD/PM	11081449
(69) Cristoforo 14	1000	Pampachiri	Andahuaylas	Andahuaylas (29-P).	01-02327-99	No. 02693-2000 RPM dated 24 July 2000	11034702
(70) Cristoforo 28	500	Toraya	Aymaraes	Chalhuanca (29-P)	01-00152-05	No. 01824-2005 INACC/J dated 4 May 2005	11064280
(71) Ferroso 29	400	Tumay Huaraca	Andahuaylas	Andahuaylas (29-P).	01-00473-05	No. 01709-2005 RPM dated 21 April 2004	11064281

PERUVIAN CONCESSIONS

CUZCO PROJECT

CONCESSION NAME	AREA (hectares)	DISTRICT	PROVINCE	NATIONAL CHART REFERENCE	CODE	TILE	FILE NUMBER
(1) Flor de María	906.94	Santo Tomás	Chumbivilcas	Livitaca (29-S).	05006521X01	No. 7078-95-RPM dated December 29, 1995.	20001742
(2) Delia Esperanza	1,000.00	Santo Tomás	Chumbivilcas	Livitaca (29-S).	05006522X01	No. 0686-95-RPM dated March 31, 1995.	20001743
(3) Julia Clara	1,000.00	Colquemarca	Chumbivilcas	Livitaca (29-S).	05006523X01	No. 4600-95/RPM dated September 26, 1995.	20001744
(4) El Pacífico I	618.95	Cápacmarca	Chumbivilcas	Livitaca (29-S).	05006536X01	No. 7077-95/RPM dated December 29, 1995.	20001785
(5) El Pacífico II	1,000.00	Santo tomás	Chumbivilcas	Livitaca (29-S).	05006524X01	No. 7886-94/RPM dated November 25, 1994.	20001746
(6) Ferrum 14	268.40	Chamaca	Chumbivilcas	Livitaca (29-S).	01-03047-05	No. 05032-2005-INACC/J dated November 30, 2005.	11053842
(7) Ferrum 15	992.13	Chamaca / Colquemarca	Chumbivilcas	Livitaca (29S)	10494906	Mar. 05, 2007 RJ. 0753-2007-INACC/J	11073796
(8) Ferrum 17	500.00	Colquemarca	Chumbivilcas	Livitaca (29S)	10026607	Oct. 30, 2007 RP. 1815-2007-INGEMMET/PCD/PM	11073794
(9) Ferrum 18	800.00	Quiñota / Haquira	Chumbivilcas /Cotabambas	Santo Tomas (29R)	10026707	May 29, 2008 RP 1761-2008-INGEMMET/PCD/PM	11076514
(10) Ferrum 72	1,000.00	Ccapi	Paruro	Cotabamba(28R)	10408208	Oct. 21, 2008 RP 4435-2008-INGEMMET/PCD/PM	in process
(11) Ferrum 73	1,000.00	Ccapi	Paruro	Cuzco(28S)	10409608	Nov. 19, 2008 RP 5050-2008-INGEMMET/PCD/PM	in process
(12) Ferrum 74	1,000.00	Ccapi	Paruro	Cuzco(28S)	10408208	Nov. 19, 2008 RP 5006-2008-INGEMMET/PCD/PM	in process
(13) Ferrum 75	302.85	Ccapi	Paruro	Cotabamba(28R)	10409808	Nov. 19, 2008 RP 5130-2008-INGEMMET/PCD/PM	in process
(14) Ferrum 76	973.83	Capacmarca	Chumbivilcas	Cotabamba(28R)	10409908	Oct. 20, 2008 RP 4323-2008-INGEMMET/PCD/PM	in process
(15) Ferrum 77	1,000.00	Ccapi	Paruro	Cotabamba(28R)	10408108	Nov. 19, 2008 RP 5227-2008-INGEMMET/PCD/PM	in process
(16) Ferrum 65	1,000.00	Ccapi	Paruro	TBA	010580008	Feb. 19, 2009 RP 0337-2009-INGEMMET/PCD/PM	in process
(17) Ferrum 66	100.00	Ccapi	Paruro	TBA	010580208	March. 2009	in process
(18) Ferrum 67	100.00	Capamarca	Chumbivilcas	TBA	010579908	Dic. 17, 2008 RP 5849-2008-INGEMMET/PCD/PM	in process
(19) Ferrum 68	1,000.00	Pomacanchi	Acomayo	Cusco-28-S Livitaca-29-S	010579808	March 31, 2009 RP 1185-2009-INGEMMET/PCD/PM	in process
(20) Ferrum 69	1,000.00	Pomacanchi	Acomayo	TBA	010579608	March. 2009	in process
(21) Ferrum 70	1,000.00	Pomacanchi	Acomayo	Livitaca-29-S	010579608	March. 2009	in process
(22) Ferrum 71	1,000.00	Pomacanchi	Acomayo	Livitaca-29-S	010579508	March 31, 2009 RP 1120-2009-INGEMMET/PCD/PM	in process
(23) Colcabamba 4	400.00	Pomacanchi	Acomayo		010580108	March 31, 2009 RP 1117-2009-INGEMMET/PCD/PM	in process

AUSTRALIAN TENEMENTS

Project	Status	Application No	Grant Date	Expiry Date	Area (Blocks)	Area (km ²)	Location / Property Name	State	Company's Interest
Paulsen East (West Pilbara Region)	Granted	EL 47/1328	05/10/06	04/10/11	6	18	Paulsen East	WA	100%
	Granted	PL 47/1170	27/03/06	26/03/11	164 hectares	1.64	Paulsen East	WA	100%

Tenement applications pending withdrawal:

Project	Status	Application No	Application Date	Expiry Date	Area (Blocks)	Area (km ²)	Location / Property Name	State	Company's Interest
King Sound (West Kimberley Region)	Application	ELA 04/1657	26/02/07	N/A	43	141	King Sound	WA	30%
	Application	ELA 04/1658	26/02/07	N/A	58	190	King Sound	WA	30%
	Application	ELA 04/1659	26/02/07	N/A	98	321	King Sound	WA	30%

SECURITIES INFORMATION

as at 30 June 2009



Issued Securities

	Quoted on ASX	Not Quoted on ASX	Total
Fully paid ordinary shares	130,034,268	-	130,034,268
\$0.178 (9 February 2011) Unlisted Options	-	1,833,333	1,833,333
\$0.278 (9 February 2011) Unlisted Options	-	1,666,667	1,666,667
\$0.938 (20 July 2011) Directors' Options	-	4,600,000	4,600,000
\$0.938 (12 September 2011) Unlisted Director's Options		500,000	500,000
\$2.078 (6 March 2012) Unlisted Director's Options		500,000	500,000
\$2.788 (6 March 2012) Unlisted Directors' Options		3,300,000	3,300,000
\$2.878 (30 April 2012) Unlisted Employees' Options		133,000	133,000
\$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	17,936,404	147,970,672

Distribution of Ordinary, Fully-Paid Shares

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	604	337,396	0.259
1,001	-	5,000	1,710	5,393,394	4.148
5,001	-	10,000	661	5,375,994	4.134
10,001	-	100,000	841	25,136,762	19.331
100,001	-	and over	93	93,790,722	72.128
Total			3,909	130,034,268	100%

SECURITIES INFORMATION

as at 30 June 2009



Top 20 Ordinary Fully-Paid Shareholders

Rank	Shareholders	Total Shares	% Issued Capital
1	ANZ NOMINEES LIMITED	24,305,337	18.691
2	ORION EQUITIES LIMITED	13,190,802	10.144
3	DATABASE SYSTEMS LIMITED	9,377,090	7.211
4	QUECHUA INVESTMENTS LIMITED	6,370,000	4.899
5	NEFCO NOMINEES PTY LTD	4,681,760	3.600
6	CITICORP NOMINEES PTY LIMITED	3,597,677	2.767
7	ALARA RESOURCES LIMITED	3,573,889	2.748
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,407,700	
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	2,012,129	
	Sub total	3,419,829	2.630
9	NATIONAL NOMINEES LIMITED	2,682,254	2.063
10	EMPIRE HOLDINGS PTY LTD	1,400,000	1.077
11	PATER INVESTMENTS PTY LTD	1,325,000	1.019
12	SANDINI PTY LTD <KARRATHA RIGGING UNIT A/C>	970,000	0.746
13	MR GORDON ANTHONY <ANTHONY FAMILY A/C>	800,000	0.615
14	MR GEORGE BRYANT MACFIE	800,000	0.615
15	M & M HOLDING PTY LTD	600,000	0.461
16	ALIANA PTY LTD <MARK SUHR SUPER FUND A/C>	560,000	0.431
17	FAROOQ KHAN	530,010	0.408
18	MRS ANUPAM SHOBHA MADAN & MR HEM SHANKER MADAN	500,000	0.385
19	K PAGNIN PTY LIMITED <K PAGNIN FAMILY A/C>	500,000	0.385
20	RENMUIR HOLDINGS LIMITED	487,428	0.375
Total		79,671,076	61.27

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

STRIKE RESOURCES LIMITED and controlled entities

ACN or ARBN

088 488 724

Quarter Ended

30 June 2009

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

1.2 Payments for

(a) exploration and evaluation

(b) development

(c) production

(d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

Net operating cash flows

Consolidated	
Current Quarter June 2009 \$' 000	Year to Date 12 months \$' 000
5	(1)
(4,163)	(14,486)
-	-
-	-
(2,598)	(8,269)
-	5
562	2,716
-	-
-	-
-	-
-	-
(6,194)	(20,035)

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

- (1) Apurimac Ferrum S.A. (AF), a company incorporated in Peru in which Strike has a 51% shareholding interest (as at 30 June 2009);
- (2) Iron Associates Corporation (IAC), a company incorporated in Panama in which SRK has a 70% shareholding interest (as at 30 June 2009);
- (3) Strike Operations Pty Ltd ABN 12 102 978 370 (SOPL) a wholly owned subsidiary;
- (4) PT Indo Batubara (PTIB), a company registered in Indonesia in which SOPL is the 100% beneficial owner;
- (5) Strike Resources Peru SAC (Strike Peru), a wholly owned subsidiary company of SOPL incorporated in Peru;
- (6) Ferrum Holdings Limited (FHL), a wholly owned subsidiary company incorporated in British Anguilla;
- (7) Strike Australian Operations Pty Ltd ACN 119 438 265, a wholly owned subsidiary which was acquired from Orion Equities Limited (Orion or OEQ) on 11 August 2008;
- (8) Strike Indo Operations Pty Ltd ACN 124 702 245 (SIOPL), which was acquired from Orion on 11 August 2008; and
- (9) PT Orion Indo Mining (PTOIM), a company registered in Indonesia in which SIOPL is the 100% beneficial owner.
- (10) Strike Finance Pty Ltd ACN 136 444 696 (SRKF) a wholly owned subsidiary;

	Consolidated	
	Current Quarter June 2009 \$' 000	Year to Date 12 months \$' 000
1.8 Net operating cash flows (carried forward)	(6,194)	(20,035)
Cash flows related to investing activities		
1.9 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(51)	(129)
1.10 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.11 Loans to other entities	-	(151)
1.12 Loans repaid by other entities	-	151
1.13 Other (provide details if material)	-	-
Net cash inflow from acquisition of controlled entity	-	-
Net investing cash flows	(51)	(129)
1.14 Total operating and investing cash flows	(6,245)	(20,164)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	49,692
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Payment for share issue and options costs	-	(2,544)
Net financing cash flows	-	47,148
Net increase (decrease) in cash held	(6,245)	26,984
1.21 Cash at beginning of quarter/year to date	65,878	24,865
1.22 Exchange rate adjustments to item 1.20	(2,666)	5,118
1.23 Cash at end of quarter	56,967	56,967

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

	Current Quarter June 2009 \$' 000
1.24 Aggregate amount of payments to the parties included in item 1.2	(220)
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees, salaries and superannuation for the quarter.

Non-cash financing and investing activities

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

--

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

None.

Financing facilities available

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

Estimated cash outflows for next quarter

	Next Quarter \$' 000
4.1 Exploration and evaluation	2,000
4.2 Development	-
Total	2,000

Reconciliation of cash

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

	Consolidated	
	Current Quarter \$' 000	Previous Quarter \$' 000
5.1 Cash on hand and at bank	20,785	463
5.2 Deposits at call	36,182	65,415
5.3 Bank overdraft	-	-
5.4 Other (Bank Bills)	-	-
Total: cash at end of quarter (item 1.22)	56,967	65,878

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (4))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to Concession/Tenements Schedules in June 2009 Quarterly Activities Report		
6.2	Interests in mining tenements acquired or increased	Refer to Concession/Tenements Schedules in June 2009 Quarterly Activities Report		

Issued and quoted securities at end of current quarter

	Total number	Number quoted	security (see note 5) (cents)	security (see note 5) (cents)
7.1 Preference securities+	n/a			
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities+	130,034,268	130,034,268		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities+				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Vendor options	1,833,333	1,833,333	17.8 cents	8 February 2011
Vendor options	1,666,667	1,666,667	27.8 cents	8 February 2011
Directors' options	4,600,000		93.8 cents	20 July 2011
Director's options	500,000		93.8 cents	12 September 2011
Director's options	500,000		207.8 cents	6 March 2012
Directors' options	3,300,000		278.8 cents	6 March 2012
Employees' options	133,000		287.8 cents	30 April 2012
Directors' options	4,000,000		397.8 cents	2 December 2012
Employee's options	250,000		287.8 cents	3 March 2013
Unlisted Options	903,404		275 cents	29 July 2011
Employee's options	250,000		275 cents	13 October 2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes				

Compliance statement

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



31 July 2009

Victor Ho
Director and Secretary

+ See Chapter 19 for defined terms

NOTES

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

Company	No Shares	%	30-Jun-09	Market Value
			Last Bid Price	
Alara Resources Limited (AUQ)	12,750,000	15.8%	\$0.054	\$688,500
Orion Equities Limited (OEQ)	505,026	2.8%	\$0.435	\$219,686
Queste Communications Ltd (QUE)	826,950	2.9%	\$0.094	\$77,733
Total				\$985,920

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

The Company holds foreign currencies denominated in US dollars, Peruvian Nuevo Soles and Indonesian Rupiah. Fluctuations in foreign exchange rates have been accounted for in this cashflow report using the exchange rate as at 30 June 2009.

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



Thursday, 11 June 2009

MARKET ANNOUNCEMENT

COMPLETION OF FEASIBILITY STUDY

Strike is pleased to announce the completion of a feasibility study for its Berau Thermal Coal Project (Berau Project) in East Kalimantan, Indonesia.

The feasibility study focussed on the development of an open-cut contract mining operation with production scaling up from 1.5 Mt per annum (Mtpa) to 3 Mtpa, with transportation 30kms by road to a new port for barging approximately 90kms down the Segah River to the coast and on to an established coal trans-shipment location approximately 30km offshore.

The Berau Project currently has a JORC Code compliant Coal Resource of 20.8 million tonnes (Mt) of coal with a calorific value of 5,605 kcal/kg gross as received (GAR), comprising 1.8Mt of Measured Coal Resource, 8.6 Mt of Indicated Coal Resource and 10.4 Mt of Inferred Coal Resource.

The Company also has an exploration target within the Berau Project estimated to contain additional mineralisation of 10-15 Mt¹ of coal.

Based on the current JORC Resource and the exploration target the Company is targeting 7-9 years' production from the mine.

The feasibility study was completed at a cost of approximately A\$1.7 million using a number of international and local Indonesian consulting firms.

The study has confirmed that the Berau Project has the potential to generate an annual operating surplus of approximately US\$33m, with:

- total capital cost of approximately US\$19m;
- average operating costs of approximately US\$41 per tonne;
- a projected coal price of approximately US\$52/tonne, FOB ship (current prices are approximately US\$55-57/tonne);
- 3 Mt peak production per year;
- a run of mine coal product of medium calorific value of 5,400-5,600 kcal/kg GAR with low sulphur - 0.66%, as received (AR); ash - 7.3%, AR and total moisture - 16.6%, AR; and

¹ The basis for the target additional coal is set out under the heading "Exploration Target - Nyapa East Block Drilling Campaign" on pages 9 - 10 below. The potential quantity and quality of the target additional coal is conceptual in nature. There has been insufficient exploration to define a JORC Mineral Resource in relation to that additional target coal. It is uncertain whether further exploration will result in that target additional coal being converted into an additional JORC Mineral Resource of the quantity or quality envisaged.



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- a development timetable of 8 months from receipt of development approvals to production.

Strike is currently undertaking a tender process with respect to the provision of contract mining services, the construction of infrastructure at the mine and barge port sites and for the road from the mine to the port. Strike is also awaiting environmental approvals and the conversion of the mining concession from Exploration to Production/Operation status, as provided under Indonesia's new Mining Law.

Strike is targeting the commencement of construction of mine and infrastructure facilities in August 2009, with first production in May 2010.

Summary of Feasibility Study

The feasibility study included mine planning, infrastructure (mine, transportation and barge port) and marketing studies completed by a number of international and local Indonesian consulting firms:

- a resource review and development of a life of mine plan by Minarco-MineConsult;
- a detailed transportation study from the mine site to the barge port site by TransTek Engineering;
- a detailed mine and port infrastructure study by TransTek Engineering;
- a ground survey of the terrain between the mine and proposed barge port site to determine the course of the road corridor by TransTek Engineering;
- an assessment of proposed barge port locations and hydrological and geotechnical assessment of the proposed mine pits by Golder Associates; and
- a marketing study on the present marketability of the coal from the Berau concession by Coal Marketing International.

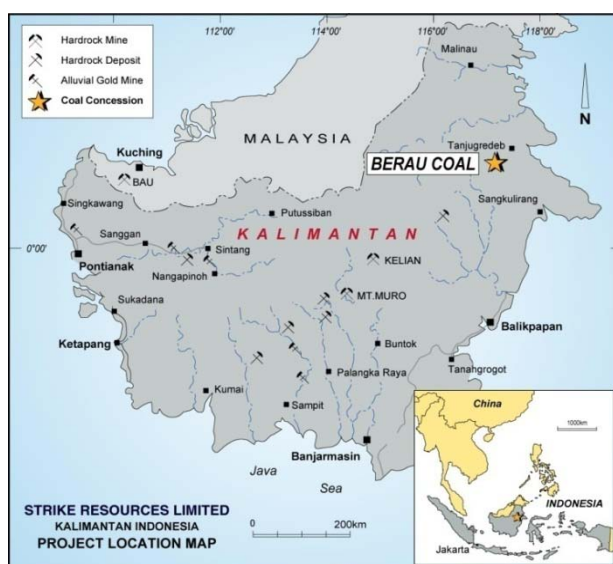
The results of these studies are summarised below:

Project Overview

The Berau Project is located 40 kilometres south-west of Tanjungredeb (Berau) and 350 kilometres north of Balikpapan, East Kalimantan, Indonesia.

Strike holds a 100% interest in this project.²

Subject to obtaining all regulatory approvals, mining is targeted to commence in May 2010. Mining will be an open-pit operation undertaken by a contract miner. Coal will then be transported by truck along a 30km road (to be constructed) to a barge port (also to be constructed) on the Segah River, where it will be stockpiled. Barges will then collect the coal and transport it 90km the coast and then on to a trans-shipment point 30km offshore, where the coal will be offloaded to ships for delivery to customers.



² Via a Cooperation Agreement with the concession holder under which Strike has an exclusive right to conduct mining activities, including the right to conduct general survey activities, explore for, exploit, mine and sell all coal, methane gas and other minerals in the concession.

There is an established coal mining industry in the region. Other coal operators regularly barge coal down the Segah River for trans-shipment.

It is envisaged that the coal will be sold to one or more power station operators and/or industry consumers in South East Asia, as is normal for coal of this quality sold from this region. Approximately 16 Mt of similar-quality coal is sold from this region every year.

Capital Costs

The total capital cost for the Berau Project is estimated at US\$18.6 million (including contingencies), broken down as follows:

<u>Item</u>	<u>US\$m (+/-15%)</u>
Mine plant, infrastructure and land	3.20
Road construction and land access	8.10
Barge port	5.10
Other	<u>2.20</u>
Total capital cost	18.60

Operating Costs

Total operating costs per tonne of coal mined are estimated to be US\$41.23 (+5/-10%).

Estimated operating costs for contract mining were based on 8 recent bids, by disregarding the highest and the lowest bids and averaging the remaining 6 bids. A similar process was undertaken to estimate costs of road haulage, barging and ship loading. A breakdown of these costs is shown below.

<u>Item</u>	<u>US\$/tonne</u>
Overburden	17.76
Coal mining	0.73
Coal handling/crushing	1.50
Coal hauling	4.65
Coal barge loading	0.65
Barging/trans-shipment	4.00
Stevedoring	0.60
Concession royalty	3.00
Government royalty	2.38
Administration	1.75
Compensation	0.75
Marketing	0.15
Licence fee	0.15
Quality control	0.25
VAT	<u>2.91</u>
Total operating cost per tonne	41.23

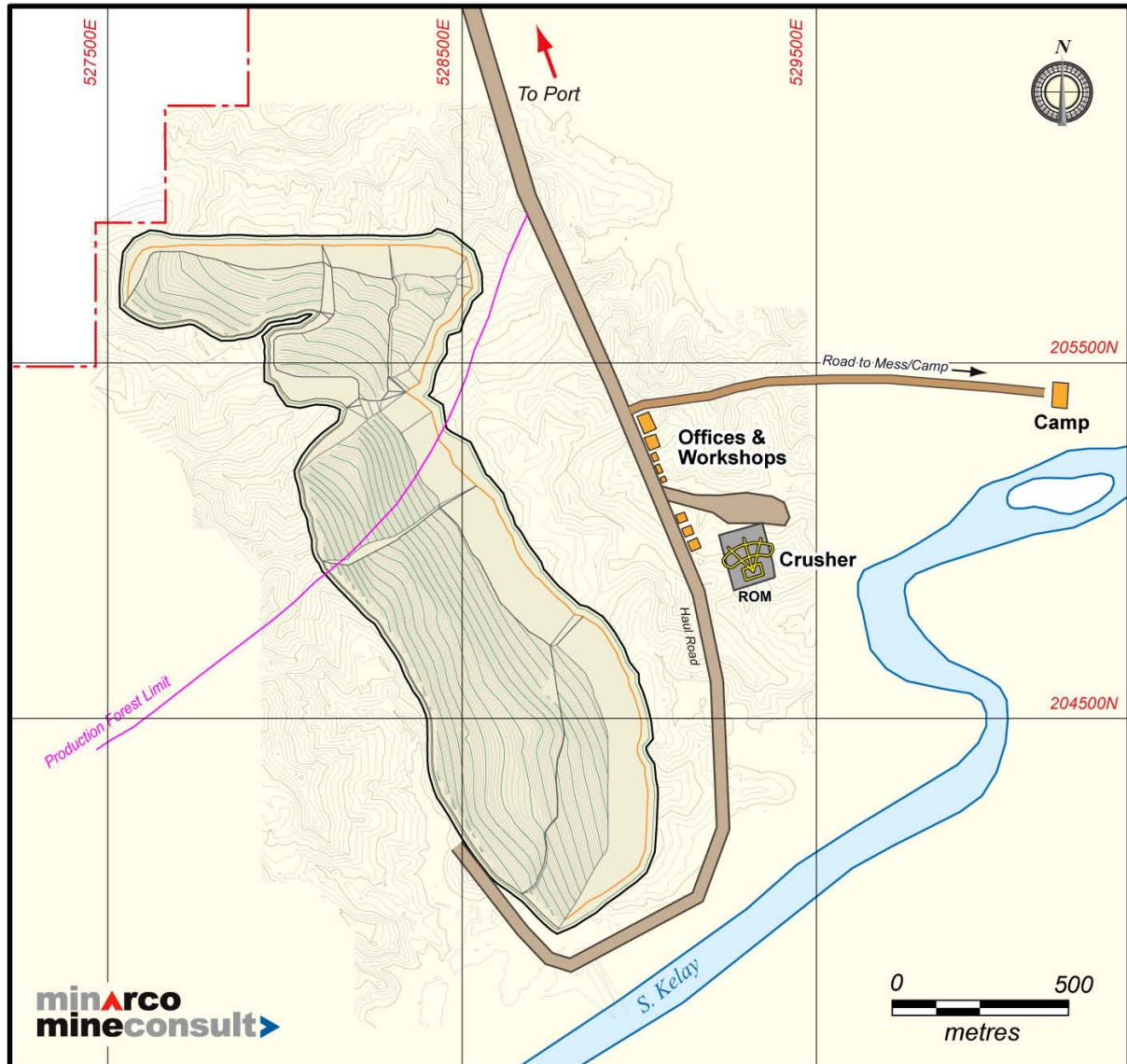
Mine Plan

A life-of-mine plan for the deposit located on the western side of the Kelai River (**Nyapa West Block**) has been developed with consultants Minarco-MineConsult. The mine pit will cover an area of approximately 124 hectares and is estimated to have 8.8Mt of run-of-mine (ROM) coal at an average strip ratio (over the life of the pit) of 9.2:1 (i.e. 9.2 bank cubic metres of overburden will be mined for every 1 tonne of coal).

The Company will develop a mine plan for the deposit located on the eastern side of the Kelai River (Nyapa East Block) once further infill drilling is completed (as outlined later in this announcement).

Proposed Nyapa West Block open cut mine

The diagram below shows the practical pit design for the deposit on the western side of the Kelai River.



The mine will be designed to target production of 1.5 Mt of coal in the first year, expanding to produce at a rate of 3Mtpa in subsequent years.

Mining will be an open-pit operation undertaken by contract miners. Equipment used will be conventional truck and shovel, with some blasting as necessary. Mined coal will be blended on site to meet customer specifications.

Transport Infrastructure

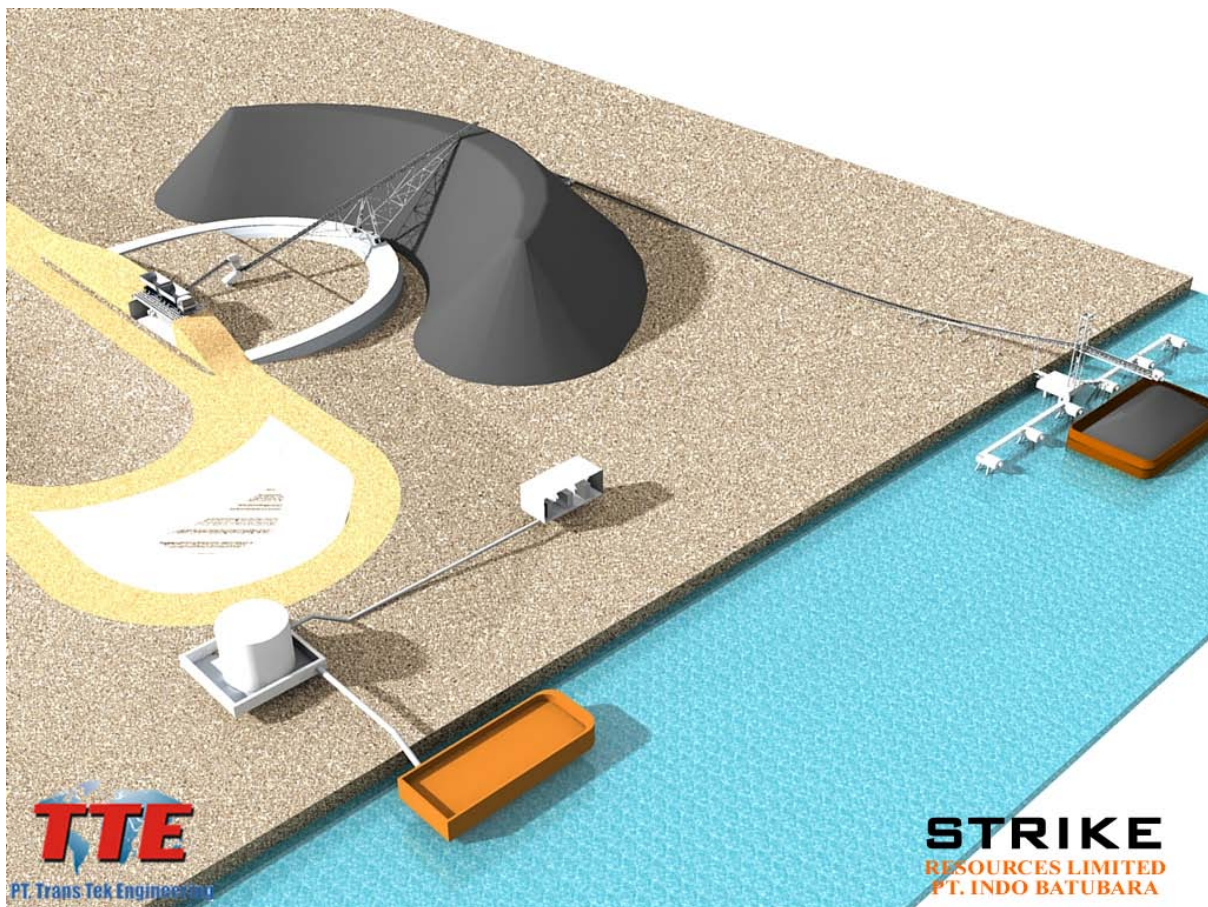
Road

- A road will be constructed for the transport of the coal to the barge port. The route has already been identified and mapped. Approximately half of the road will utilise existing logging roads, which will reduce construction time and costs.
- Subject to approvals for the construction of the road being received, construction of the road will take approximately seven months. The road route crosses land which is mostly community and government owned, with some private holdings.
- Negotiations with the various landowners to allow access are underway, and are estimated to be completed by August 2009.

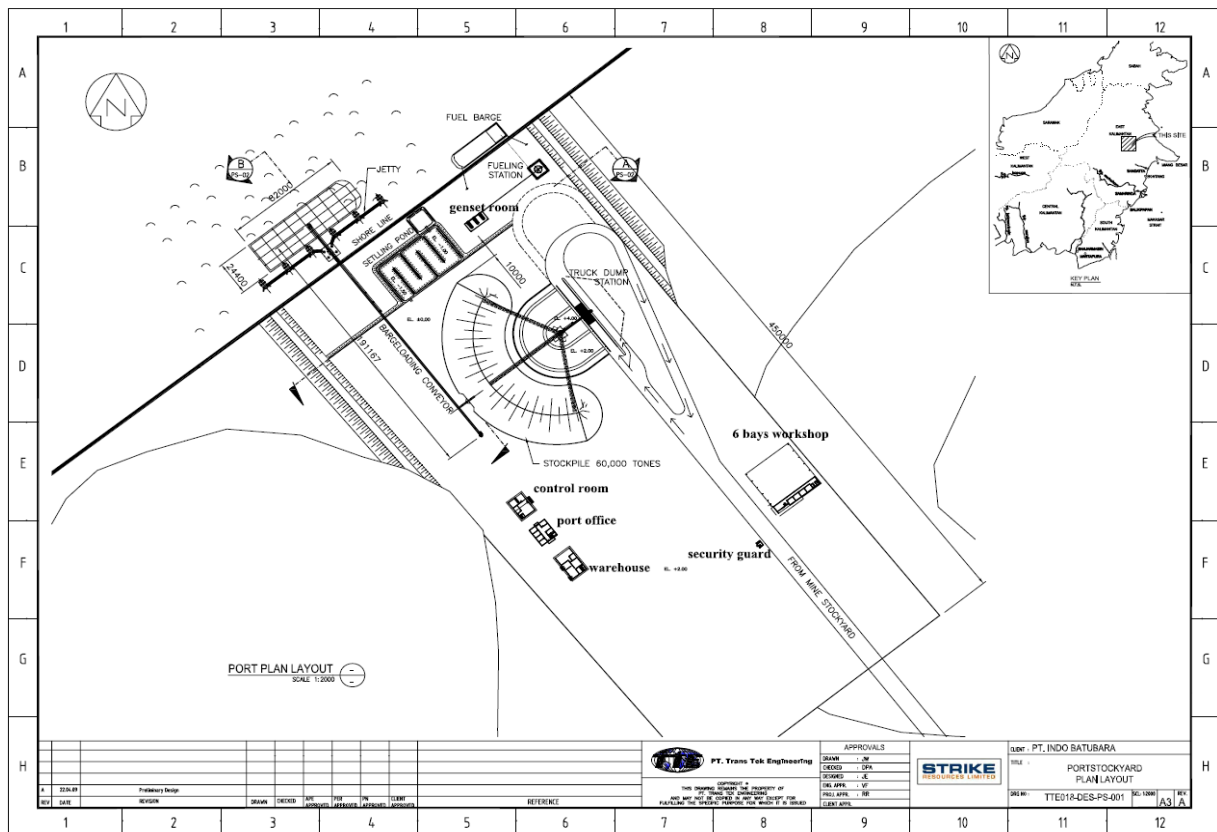
Barge Port

- A site for the barge port on the Segah River has been identified. A purchase agreement for the port site has recently been executed with the site owner.
- The total area acquired for the barge port is approximately 8 hectares.
- The port site will accommodate a 60,000 tonne stockpile, with capacity for expansion.
- Coal will be loaded onto 5,000 tonne barges by conveyor.
- The port will also have a fuel discharge facility so that fuel for mine operations can be offloaded from barges and transported to the mine by truck.

The illustration below shows the proposed facility to be constructed on this land.



The schematic diagram below shows the proposed layout of port infrastructure.



The Segah River is used extensively for transporting coal by miners in the region. The following photograph illustrates a similar coal-loading facility on the Segah River to the facility proposed by Strike.



Coal will be barged 90 km down the Segah River to the coast and then a further 30km to an offshore trans-shipment point. Here it will be loaded onto ships for delivery to customers. The following picture illustrates a ship-loading operation similar to the one to be conducted by Strike.



Life of Mine

Based on the current JORC Resource and the exploration target, the Company is targeting 7-9 years production from the mine, at an annualised production rate of 3Mtpa (with an initial ramp up phase starting at 1.5 Mtpa).

Cashflow Forecast

The Company has forecast a long-term sale price for coal (FOB Ship) of US\$52/tonne for sale of coal from the Berau Project. The Company's forecast compares with current coal prices of approximately US\$55-57/tonne.

Assuming a price received per tonne of coal sold of US\$52, the mine is forecast to produce an annual operating surplus of US\$33 million at the rate of 3Mtpa. At US\$60 received per tonne of coal sold, the annual cash operating surplus increases to US\$57 million.

Coal Sales and Pricing

Coal from Indonesia of similar quality to that from the Berau Project is extensively traded on world markets and is primarily used as fuel for power stations.

Coal of a similar calorific value to that to be mined from the Berau Project is currently selling for approximately US\$55-57 per tonne.

Strike has used a price of US\$52 per tonne for budgeting and forecast purposes. This is based upon:

- an analysis of current prices received for similar coal;
- a review of various market forecasts;
- a report commissioned from a coal marketing consultant specialising in Indonesian coal; and
- discussions with potential customers in Taiwan, India and the Philippines.

Project Timing

Various Government approvals and land acquisition/access agreements are required before Strike can commence construction of the mine and transport infrastructure. In particular, Strike is awaiting environmental approvals and the conversion of the mining concession from Exploration to Production/Operation status, as provided under Indonesia's new Mining Law.

Strike is targeting commencement of construction of mine and infrastructure facilities in August 2009, with first production in May 2010.

Resources and Reserves

The JORC Code compliant Coal Resource and Coal Reserve were estimated by independent consultants, Minarco-MineConsult Pty Ltd and were based upon a 5,500 metre diamond-core drilling campaign completed in March 2009, which built upon previous drilling campaigns totalling 4,500m.

Drilling has been conducted to the west (Nyapa West Block) and east (Nyapa East Block) of the Kelai River, which passes through the concession.

Coal Resources

Concession Blocks	Coal Resources (Mt)			
	Measured	Indicated	Inferred	Sub-Total
Nyapa West	1.8	8.6	3.6	14.0
Nyapa East	-	-	6.8	6.8
Total	1.8	8.6	10.4	20.8

The in-situ coal at Nyapa West is of sub-bituminous rank, with the following average qualities:

- medium calorific value - 5,605 kcal/kg, GAR;
- total moisture - 16.6%, AR;
- ash - 5.8%, air dried basis (ADB); and
- sulphur - 0.71%, ADB.

The coal in the Nyapa East Block is of a similar quality.

Coal Reserves

From the total 20.8 Mt Coal Resource outlined above, a Coal Reserve of 7.7 Mt has been estimated by Minarco-MineConsult. The 7.7 Mt Coal Reserve is classified as a Probable Reserve and is located within the Nyapa West Block.

Probable Reserves	Calorific Value kcal/kg (GAR)	Total Sulphur (AR)	Ash (AR)	Total Moisture (AR)
7.7 Mt	5,546	0.66%	7.3%	16.6%

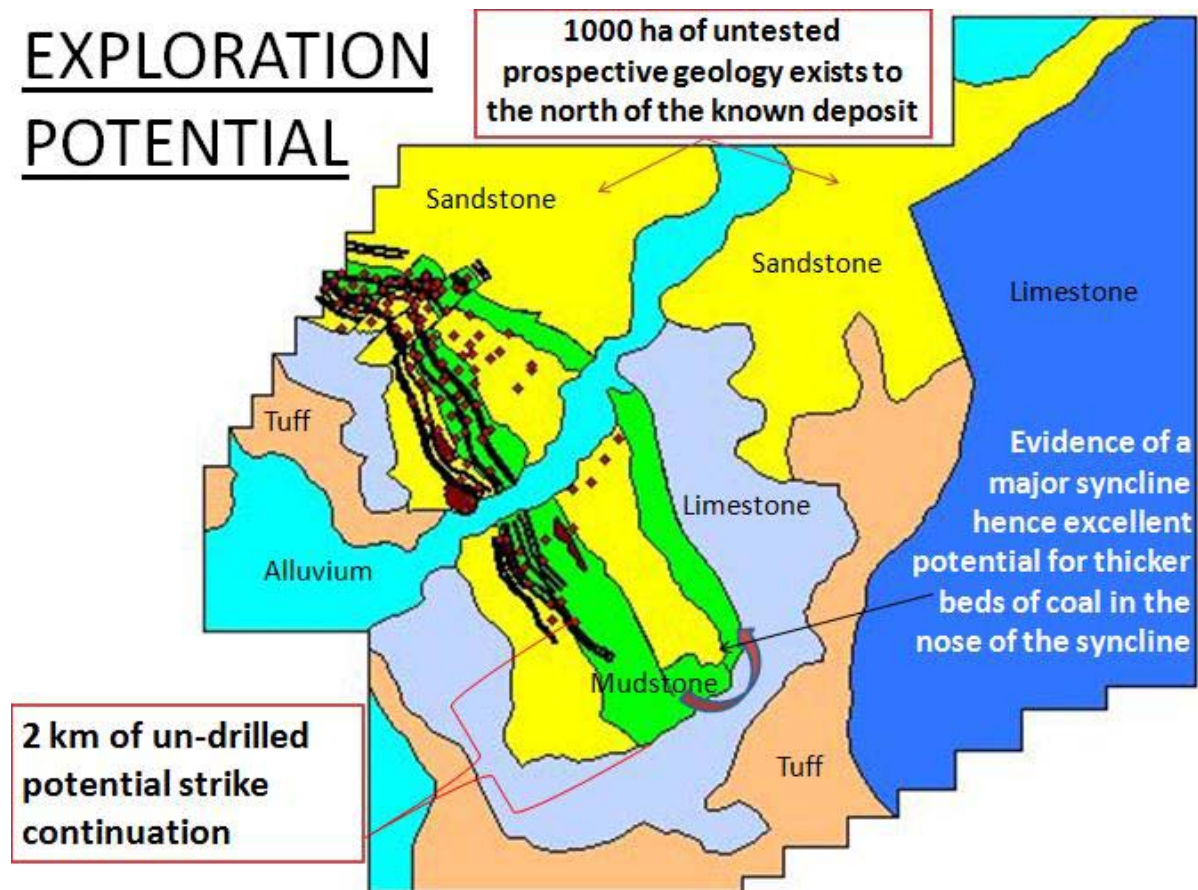
Coal Resources are reported inclusive of Coal Reserves: that is Coal Reserves are not additional to Coal Resources.

Exploration Target - Nyapa East Block Drilling Campaign

Strike is seeking to expand the resource base outlined above.

In particular, within the Nyapa East Block the deposit comprising the 6.8Mt JORC Inferred Resource remains open and untested along a further 2km strike to the south-east and the "nose" of the syncline, where intermittent occurrences of outcropping coal have been mapped. This is depicted in the following map.

Map of Berau concession showing geology and drilling



So far 9 coal seams have been identified in the area. Of these 9 seams, there are two seams within the Nyapa East Block which average 4.1m and 4.5m in thickness.

Such seams appear to be a continuation of the seams encountered within the Nyapa West Block on the other side of the Kelai River, but appear to thicken as they cross under the river into the Nyapa East Block.

Strike is encouraged by the occurrence of these relatively thick seams within the Nyapa East Block as they indicate the potential for:

- a lower strip ratio once mining commences in that block; and
- the continuity of the deposit along strike for 2km to the southeast where coal outcrops have already been identified.

In addition, whilst in the Nyapa West Block the nominal depth to which the Coal Resources were estimated was -100m reduced level (RL), in the Nyapa East Block drilling has so far been limited to only -50m RL. Therefore there is potential to further expand the resource in the Nyapa East Block through deeper drilling.

Strike has therefore commenced a 4,000m drilling campaign on the Nyapa East Block with the following objectives:

- obtain geotechnical information to determine mining conditions and to plan an open-cut mine on the Nyapa East Block, in addition to the mine currently planned for the Nyapa West Block;
- convert some or all of the current 6.8Mt Inferred Resource to Measured status; and
- delineate an additional resource to the southeast of the currently-drilled areas.

This drilling campaign is expected to be completed within the next 4 months³.

Production Forest

Government-owned Production Forest overlaps parts of the concession in the northwest and the southeast. Government permission is required to mine from areas designated as Production Forest. Obtaining the relevant permits typically takes one to two years.

Approximately 50% of the 8.6Mt Indicated Resource in the Nyapa West Block lies in a Production Forest. The Mine Plan has been designed to mine coal from outside the Production Forest area in the first year, moving into the Production Forest area once permission is received.

Should permission to mine from the Production Forest area take longer than anticipated, Strike may move its mining operations along strike to the Nyapa East Block where an Inferred Resource of 6.8 Mt is located (outside of Production Forest areas) and which Strike is currently seeking to expand through the drilling program referred to above.

Project Financing and Coal Off-Take Sales

Strike advises that an agreement with a joint venture consortium developing a 300 megawatt Indian power station to exclusively conduct due diligence and evaluation of the Berau Project in relation to entering into a joint venture and off-take agreement with Strike has expired.

The joint venture consortium presented an offer for the acquisition of 100% of the Berau Project for a lump sum cash amount based upon the current Measured and Indicated Coal Resource, together with a royalty per tonne of coal produced for any further delineation of coal beyond that currently in the Measured and Indicated Resource categories.

³ The potential quantity and quality of the target additional coal in this section of this announcement is conceptual in nature. There has been insufficient exploration to define a JORC Mineral Resource in relation to that additional target coal. It is uncertain whether further exploration will result in that target additional coal being converted into an additional JORC Mineral Resource of the quantity or quality envisaged.

In light of Strike having recently completed the feasibility study and gaining a better understanding of the Berau Project's economics, the sale of a 100% interest upon the terms proposed by the consortium was not acceptable to Strike.

As the parties were not able to reach an agreement within the stipulated exclusivity period, Strike is now able to consider project financing and off-take opportunities from other parties.

In this regard, Strike is continuing to explore securing coal off-take agreements with potential customers.

Conclusion

Strike is very encouraged by the Berau Project economics demonstrated by the feasibility study and the apparent strengthening of the thermal coal market, which is supported by recent increases in thermal coal prices. The Company is focussing its efforts on achieving necessary approvals to commence mining and construction and discovering additional coal mineralisation in the Berau Project concession through an ongoing drilling campaign.

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The information in this document that relates to Coal Resources was compiled by Mr William Park (BSc (Geology), BEcon, MAIG) who is a member of the Australian Institute of Geoscientists and, to the extent that the information in this document relates to Coal Reserves, was compiled by Mr Michael Trainor (BE (Mining), MAusIMM) who is a Member of The Australian Institute of Mining and Metallurgy. Mr Park and Mr Trainor are employees of Minarco-MineConsult Pty Ltd. Mr Park and Mr Trainor have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Park and Mr Trainor consent to the inclusion in this document of the matters based on their information in the form and context in which it appears.

The information in this document that relates to target mineralisation and expectations about potential to increase mineable coal has been compiled by Mr Shanker Madan. Mr Madan holds Honours and Masters Science degrees in Applied Geology and is a member of the Australian Institute of Mining and Metallurgy. Mr Madan is Managing Director of Strike Resources Limited. Mr Madan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the JORC Code. Mr Madan consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.



31 July 2009

MARKET ANNOUNCEMENT

BERAU PROJECT COAL SALE HEADS OF AGREEMENT

Strike is pleased to announce the execution of two Heads of Agreement for the sale of a total of 2.4 million tonnes of coal over a two year period from its Berau Coal Project to leading industrial companies in China and Taiwan.

[Formosa Plastics Group \(FPG\)](#)

[FPG](#) is a leading Taiwanese manufacturing corporation established in 1954 and is the worlds largest manufacturer of PVC resins.

The agreement with FPG is for the purchase of 1.2 million tonnes of coal over the term of the agreement (+/-10% at the buyer's discretion) to be mined from Strike's Berau Coal Project.

The term of the agreement is for an initial period of two years. Coal shipments are required to be made in approximately equal amounts spaced evenly over the term of the agreement.

The agreement requires the commencement date for supply of coal to be no later than 30 April 2010.

The coal price under the FPG heads of agreement will be determined by reference to the higher of the [globalCOAL](#) Newcastle Coal Index (**NEWC Index**) (with a proportionate adjustment to reflect any difference in the gross calorific value of coal sold versus the assumed gross calorific value of coal in the NEWC Index) or the price at which coal is required to be sold under Indonesia's New Mining Law.

The agreement is subject to the negotiation of a formal binding agreement consistent with the terms of the FPG heads of agreement. In the event that a formal agreement cannot be executed either party may terminate the heads of agreement.



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CNBM International (CNBM)

The China National Building Materials & Equipment Import & Export Corporation (CNBM International) was founded in 1985 and is a Chinese state level managing enterprise within the building material industry. CNBM has total assets of approximately 55 billion RMB Yuan and staff of 55,000. It is one of China's leading cement manufacturers.

The agreement with CNBM is for the purchase of 1.2 million tonnes of coal over the term of the agreement (+/-10% at the buyer's discretion) to be mined from Strike's Berau Coal Project.

The term of the agreement is for an initial period of two years. Coal shipments are required to be made in approximately equal amounts spaced evenly over the term of the agreement.

The agreement requires the commencement date for supply of coal to be no later than 30 April 2010.

The coal price under the CNBM heads of agreement will be negotiated in the formal agreement indicatively by reference to the [globalCOAL](#) Newcastle Coal Index (NEWC Index) or another institution agreed by both parties.

The agreement is subject to the negotiation of a formal binding agreement consistent with the terms of the CNBM heads of agreement. In the event that a formal agreement cannot be executed either party may terminate the heads of agreement.

Strike looks forward to working with each of CNBM and FPG as it advances its Berau Coal Project.

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27 July 2009

MARKET ANNOUNCEMENT

POSITIVE SETTLEMENT OF DISPUTES IN PERU

Strike is pleased to announce that a comprehensive settlement has been reached with its partners in Peru, through which all legal disputes regarding the Company's interest in Peruvian company Apurimac Ferrum S.A. (AF) have been fully resolved.

Key details of the settlement are as follows:

- All legal proceedings between the parties will be terminated.
- Strike emerges from the settlement with a direct 44% equity interest in AF, an option to move to 63% for US\$21.1 million and potentially to 100% through a 'shootout offer' mechanism which can be initiated at Strike's election.
- Strike's liabilities to its partners D&C and MAPSA, totalling approximately US\$24.25 million have been cancelled. Strike may instead, at its election, lend AF up to US\$20 million over the next 3 years to progress development of AF's iron ore concessions, secured with a first registered mortgage over AF's mining concessions.

Strike Chairman Dr. John Stephenson said: "This is a very positive outcome for Strike. It concludes a frustrating episode for the Company during which partner disputes have delayed the advancement of an iron ore mine with world-class potential.

"With this settlement we have resolved our differences with our partners and can now move this project forward. The independent Pre-Feasibility Studies completed last year have shown that this project has the potential to become one of the world's lowest cost producers of iron ore, with operating costs of ~US\$16.50 per tonne of product.

"The settlement has removed a US\$24 million liability from Strike's balance sheet, established an agreed funding mechanism for AF with Strike holding sole security over AF's valuable mining concessions and a mechanism to move to potentially 100% ownership of AF."

Settlement Detail

The settlement agreements between Strike, MAPSA and its shareholders ("MAPSA"), Iron Associates Corporation ("IAC") and D&C Group and related parties ("D&C") provide that:

1. All parties will terminate all current legal proceedings against the other parties, cease prosecuting any criminal proceedings and agree not to commence any new proceedings concerning past matters related to AF or arising out of any past actions of any of the parties with respect to AF.
2. All previous agreements between the parties in relation to AF are terminated.
3. Strike liabilities totalling US\$24.25 million (being US\$17.25 million owed to D&C and US\$7 million payable to MAPSA/IAC) arising from previous agreements are cancelled.



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4. Strike, D&C and IAC will adjust their respective shareholdings in AF such that Strike holds 43.98% of AF, D&C holds 43.75% and IAC holds 12.27%.
5. MAPSA will move to 100% ownership of IAC.
6. Strike will pay US\$1.5 million to MAPSA/IAC, in lieu of the US\$7 million previously payable to MAPSA/IAC.
7. Strike will loan AF a minimum of US\$3 million during the three-year period from the date of settlement ("Settlement Term"), with the right to advance up to a further US\$17 million to fund AF board-approved operating budgets over that period. All such loans will be secured by a first-ranking mortgage over AF's mineral concessions.
8. During the Settlement Term, AF's board of directors will consist of five directors, with two directors appointed by Strike, two by D&C and one by IAC. Any shareholder resolutions must be passed unanimously by the AF shareholders. After the Settlement Term no such limitations or obligations shall apply.
9. No pre-emptive right restrictions shall apply to share sales or transfers by AF shareholders. During the Settlement Term, any proposed sale or transfer of shares to a third party will be subject to a 'tag-along' provision, by which such third party offer must first be made pro-rata and on the same terms to all shareholders.
10. Strike has granted AF a three year option to buy the rights to mineral concessions in Peru held by Strike (separate from the concessions owned by AF) for US\$1.75 million.
11. During the Settlement Term, Strike has the right to make a 'shootout offer' to the other AF shareholders to buy all the shares in AF that it does not already own. The other AF shareholders must either accept Strike's offer (in which case Strike will move to 100% ownership of AF), or make an unconditional counter-offer to buy out all of Strike's shareholding in AF at the same price per share offered to them by Strike. Under a shootout offer, all debts owed by AF to exiting shareholders are required to be contemporaneously paid out by the acquiring party in full.

A shootout offer can be made by Strike under one of two scenarios:

- i. At any time within 2.5 years from the settlement date, Strike has the right to acquire an additional 19.25% interest in AF from D&C for US\$21.1 million, taking Strike's total direct interest in AF to 63%. Strike must then make a shootout offer to buy the remaining 37% interests in AF for an amount no less than US\$47 million.
 - ii. If Strike does not exercise the right above, at the end of three years it can make a shootout offer at any price it determines for the 56% of AF not already held by Strike.
12. If a shootout offer is not made by Strike, at the end of the Settlement Term all shareholder debts are capitalised according to an agreed formula. D&C then has the option to contribute additional capital into AF within 60 days to maintain an equal shareholding with Strike or be diluted and continue as a minority shareholder, with Strike holding 51% or more of AF (depending upon the amount of debt owed by AF to Strike).

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