



Quarterly Report - September 2010

For the 3 months to 30 September 2010

Company Overview

Strike Resources is an Australian-listed resources company with two principal projects in the attractive bulk commodities market.

The Apurimac and Cuzco Iron Ore Projects in Peru are large-scale iron ore projects, with Apurimac in the Pre-feasibility Study stage. The Company is seeking to establish a 10 - 20 million tonne per annum ("Mtpa") operation at Apurimac based on current JORC Resources totalling 270Mt (142.5Mt Indicated and 127.5Mt Inferred) with significant exploration upside.

The Berau Thermal Coal Project in Indonesia is an asset with near-term cash flow potential. With low capital expenditure and key government approvals in place, this asset has the potential to become a producing asset in the short term.

September Quarter Highlights

- Community approvals received for high-priority Colcabamba target, with drilling to commence in December.
- Significant progress made on approvals and community relations with:
 - Remediation works at Opaban 1 completed and signed off by the community, paving the way for drilling approval dialogue.
 - Formal discussions on approvals for Opaban 3 drilling requested by community leaders.
 - Experienced Community Relations Manager appointed as part of strengthening the Apurimac Ferrum ("AF") executive team for major Pre-feasibility Study program.
- Doppelmayr confirmation of rope conveyor alternative for ore and product transport options.
- Contract reviews and approvals processes continue for the Berau Coal Project in readiness for investment decision pending successful completion of the joint venture restructure negotiations.
- Sale of listed shares pursuant to strategic review of asset holdings realises \$3.3 million after quarter end.
- Strong cash position retained with \$40.8 million in cash and liquid securities at the end of the Quarter.

Projects

Apurimac and Cuzco Iron Ore Projects - Peru (SRK 44%)¹

Overview

Strike's Joint venture company Apurimac Ferrum SA ("AF") has continued to progress the development and exploration programs on the Apurimac and Cuzco projects during the quarter. The focus remains the Apurimac Project where the detailed Pre-feasibility Study (PFS), with a budgeted cost of US\$15 million, principally comprises:

- a major drilling campaign with the objectives of:
 - increasing the current iron ore Resources of 269 million tonnes ("Mt") at an average grade of 57.3% Fe to at least 400Mt; and
 - increasing the Measured and Indicated Resources within the total Resource to at least 250 Mt;

(The potential quantity and grade of the target iron ore is conceptual in nature. There has been insufficient exploration to define an additional mineral Resource in relation to that target iron ore or to determine whether the JORC Resource category of any existing Resource can be increased. It is uncertain whether further exploration will result in the determination of an additional Mineral Resource in relation to that target iron ore or an increase in the JORC Resource category of any existing Resource.)

¹ Strike has a 44% interest in this project, with potential to increase to 100% through a shoot-out mechanism. This mechanism is explained in Strike's 2010 Full Year Report.

- supplementing the initial PFS with trade-off studies to identify the optimum combination of annual mine production, products and ore transport method;
- complete geotechnical and metallurgical core drilling and associated test work to facilitate mining studies and processing optimisation;
- undertake additional baseline environmental studies; and
- further strengthen community relationships and programs,

as a precursor to a potential Bankable Feasibility Study.

In addition, re-logging of the drilling at the Cuzco project has been completed and SRK Consulting has been engaged to prepare a resource estimate during the December quarter.

Apurimac and Cuzco Project Locations



Increased Resources Targets

During the quarter extensive field work continued within the satellite concessions to prioritise existing targets and identify additional prospective areas for more detailed evaluation.

The key focus is the Colcabamba area, where three large magnetic anomalies lie coincident with major structural zones and extensive areas of outcropping ironstones recording >60% Fe in rock chip samples. Mapping of the ironstone exposures and surface sampling indicates potential for at least 60 million tonnes of iron ore within the top 100 metres. A program comprising 10 diamond drill holes will commence in December.

(The potential quantity and grade of the target iron ore mineralisation is conceptual in nature. There has been insufficient exploration to define an additional mineral Resource in relation to that target iron ore. It is uncertain whether further exploration will result in the determination of an additional Mineral Resource in relation to that target iron ore.)

The three target areas are in varying elevations from 3400m to 4200m above sea level and are geologically associated with an intrusive complex which ranges from diorite to quartz monzonite, including a series of dikes and sills of intermediate composition.

AF received Community approvals for the initial drilling campaign and commenced the regulatory approvals process for the drilling campaign in the September quarter. Final regulatory approval and the commencement of drilling activities are expected in the December quarter.

Approvals Progress

The approval processes for the drilling programs in Peru are extensive and highly structured. These processes, mandated by law, include both environmental and community approvals.

The lead up to regional elections held throughout Peru in early October significantly disrupted AF's community consultation processes, with community leaders focussed on political matters and, in some cases, requesting "time-out" from discussions with AF until after the elections.

With the regional elections now complete and the new office bearers settling into their roles, it is anticipated that the dialogue and approvals processes will return to normal over the coming weeks. Local elections will occur in December and, while these generally have less impact than regional elections, if there is a change in local leadership this may affect approval processes and time lines. At this stage the AF community relations team does not expect any significant change in direction by the communities following these elections.

To assist with the delivery of timely approvals and establishment of strong community relationships, AF has strengthened its executive team with the appointment of Luis Orihuela as Community Relations Manager, commencing in mid-November. Mr Orihuela is a senior community relations professional, with extensive experience in developing strong, constructive relationships with communities and their leaders in Peru. He has been responsible for securing approvals for, and implementing, major drilling and operational programs, including community relocations. He will play a major role in ensuring that approvals are obtained in line with the Company's exploration and development plans.

Consistent with leading industry practice in Peru the AF community team, together with leading Peruvian community relations consultants, are working with local communities to develop and implement customised programs which enhance the communities and assist in establishing strong and sustainable relationships between the communities and AF.

The approvals process involves formal community meetings, together with community information sessions and programs to ensure that the communities fully understand the exploration and development programs and are hence able to make informed decisions. These approvals are required for each stage of exploration and development work, as well as for remediation works at various concessions.

Significant progress has been made during the quarter with the affected communities at Opaban, with the key issue of compensation for past works settled and a major remediation program completed and signed off by the community. This work included rehabilitation of past drilling programs by AF as well as previous mining activities of others.

The completion of this remediation has been well received in the community with positive feedback from community leaders and the community in general. This is expected to pave the way for the commencement of community information programs and dialogue regarding future drilling programs.

The timing of drilling at Opaban will depend on receiving formal community approvals for the proposed programs. With the appointment of Mr Orihuela, the company is undertaking a review of the community approvals programs and the likely timing for Opaban approvals. This review will be completed in the December quarter and incorporated into a revised project study and development schedule. Strike will report this timetable to shareholders when it has received final sign-off.

Community approvals have been granted at Colcabamba for a drilling program. The processes for obtaining government approvals for environmental disturbance and water usage for the program are underway. As the government processes generally have an agreed time line, it is expected that all approvals will be gained by late November and drilling will commence in December.

Pre-Feasibility "Trade-off" Studies

The initial Apurimac pre-feasibility study was based on a proposed mine output of 27 million tonnes per annum ("**Mtpa**"), with ore being crushed, concentrated using magnetic separation to produce 20Mtpa of product which would be mixed with water and ground to create a slurry for transportation to the coast by pipeline².

AF is conducting several trade-off studies to supplement the PFS as part of its US\$15M detailed PFS program, detailed below.

Alternative mine production study

Initial results from the side study on the alternatives of producing 10 and 15Mtpa as a concentrate or combined lump and fines products were reported in the June Quarterly Report. The key outcomes were:

- Strip ratios of between 1.2 and 1.8 when a practical mine design is applied.

² Full details of AF's original PFS are contained in Strike's 23 July 2008 ASX announcement entitled "Pre-Feasibility Results Confirm World Class Prospects for Apurimac Project in Peru".

- A high conversion ratio (>80%) of resources to economically recoverable material (design pit) is likely based on current operating costs³.
- Mine sensitivity analysis indicates a robust project, relatively insensitive to mining costs, pit design parameters and operating costs.
- A potential mine life based on an optimised pit on current Indicated and Inferred resources of 18 yrs for 10Mtpa, 12yrs for 15Mtpa and 9 yrs for 20Mtpa production rates.
- The process plant and port facility for the 10 and 15Mtpa options study offer advantages in reduced sizing of equipment and, for the lump and fines option, a considerably simplified process circuit resulting in reduced capital and operating costs.
- A rope conveyor (Rope-Con by Doppelmayr) may represent a superior ore and product transport option to rail or a slurry pipeline. A rope conveyor potentially requires significantly lower capital expenditure than rail. Rope conveyors also offers the ability to transport multiple product types which, like rail, would facilitate the more conventional, lower-cost lump and fines iron ore product options. Rope conveyors offer large distances between supports and are currently used in similar downhill material transport applications over large distances in rugged terrains, specifically bauxite ore transport in the Caribbean.
- Opportunities have also been identified for more favourable locations for some of the process plant.

Rail option study

AF commissioned Ausenco Sandwell to conduct a pre-feasibility level study to determine whether transporting an alternative product mix of lump and sinter feed by rail is preferable to transporting slurry via a pipeline. The rail study considered the options of transporting 20Mtpa, 15Mtpa and 10Mtpa – the same options being considered by the alternative mine production study. This study is now complete and the key outcomes are:

- The final aligned track distance is 574km.
- The rail option requires 120 tunnels with a total distance of approximately 77km.
- 18 major bridges are required with lengths ranging from 45m to 980m.
- The estimated time required to design and construct the rail line is 4 years.
- The total capital cost for a rail line with 20Mtpa capacity is US\$3 billion +20%.
- The operating cost is \$5.90 per tonne +/- 20% for 20Mtpa of product.

This study was completed late in the September quarter. A full evaluation of the rail option and its potential for AF will be completed in the December quarter. However, preliminary indications suggest that the capital cost is too high for this option to be supported solely by the Apurimac Project.

Rope conveyor concept study

AF commenced a concept-level study into the potential for a rope conveyor (by Doppelmayr) for the Apurimac Project in the September quarter. Early indications from the study indicate that a rope conveyor option is feasible for the Apurimac Project, however the number of transfer points between conveyor sections is expected to be significant. The rope conveyor concept study is due for completion in the December quarter.

Infrastructure

AF continues to work with proponents for infrastructure which would support the Apurimac and Cuzco projects. Discussions continue with ProInversion, the government agency responsible for the award of the concession for the proposed San Juan bulk commodities port, as well as existing rail operators and proponents for new railway operations which could service AF's projects.

JORC Code Competent Person Statement

Of the JORC Indicated Resource of 142.5Mt at the Apurimac Project, 133.7Mt is on the Opaban 1 concession and 8.8Mt is on the Opaban 3 concession. The entire Inferred Resource of 127.5Mt at this Project is on the Opaban 1 concession. The information in this document which relates to mineral Resources at the Opaban 1 concession has been jointly compiled by Mr Bruce Sommerville, (BAppSc, BSc (Hons)) who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of SRK Consulting Pty Ltd (which is unrelated to Strike Resources Limited) and Mr Hem Shanker Madan (M. Sc (Appl. Geol.)) who is a Member of The Australasian Institute of Mining and Metallurgy and is the Chairman of Strike Resources Limited. Mr Madan is responsible for data collection and data quality in respect of the Opaban 1 concession and Mr Sommerville is responsible for mineral Resource estimation in respect of the Opaban 1 concession. The information in this document which relates to mineral Resources at the Opaban 3 concession has been solely compiled by Mr Hem Shanker Madan. Information which relates to exploration targets has been compiled by persons other than Mr Sommerville,

³ The mining study by SRK Consulting includes both Inferred and Indicated Resources. Although the pit optimisations and preliminary design pits are indicative of the potential economically-recoverable material, they do not represent Ore Reserves and further drilling is required to confirm the results.

including Mr Hem Shanker Madan. Messrs Sommerville and Madan 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)." Messrs Somerville and Madan consent to the inclusion in this document of the matters based on their information in the form and context in which it appears.

Berau Thermal Coal Project – Indonesia (SRK 100%)

Berau Coal Project Location



Project Development

During the September quarter progress continued towards development of the Berau thermal coal project including:

- Continuing discussions with our Indonesian partner PT KJB on the preferred partnership structure and development option for the project. These discussions are continuing into the December quarter. A successful conclusion to the negotiations will enable an investment decision on the project shortly thereafter.
- The budget and work plan submitted as a requirement under the Mining Production Operations Licence (*Izin Usaha Pertambangan Operasi Produksi* or *IUP Production Operations*) under Indonesia's new Mining Law has received official written approval from the relevant authority in Berau.
- Earlier advice from our partner PT KJB that Central Forestry had given approval for the alignment of the proposed coal haul road from the proposed mine site to the barge port on the Segah River, as reported in the June quarter, has proved to be premature. While the approval was given by a Department within Central Forestry during the June quarter, another Department within the same agency has since claimed jurisdiction over the matter. Our joint venture partner PT KJB advises that the resolution of this matter is underway.
- Tender analysis and review of key capital and operating contracts continued during the quarter. This work is aimed at confirming the key cost components for the project and facilitating the award of the mining and haul road contracts shortly after an investment decision is made.

- Cataloguing of tree species and quantities to be affected by proposed clearing works was completed during the quarter and lodged with Regional Forestry in Berau. Formal acceptance of the report from Regional Forestry is expected during the December quarter.

Indonesian Mining Law

Strike and the concession owner are in discussions about potential amendments to the contractual arrangements between them to ensure that they remain consistent with Indonesia's new Mining Law and Regulations, which have been promulgated in instalments since January 2009.

While Strike's contract with the concession owner remains valid under the new law, these changes have created a degree of uncertainty with respect to Strike's obligations to carry out certain aspects of mining operations and make payments to the Berau concession owner under the contract.

After reviewing and taking advice on these matters, Strike and the concession owner are in discussions about potential amendments to their contract to ensure that it remains consistent with the new Law and Regulations, whilst preserving its economic substance. Whilst Strike is proceeding on an operational basis towards an investment decision and potential mine commencement, ongoing negotiations have resulted in a delay to the investment decision timetable.

Paulsens East Iron Ore Project - Western Australia (SRK - Royalty)

In November 2009 Strike executed a farm-out agreement for this project with Process Minerals International Pty Ltd (PMI), a subsidiary of ASX-listed Mineral Resources Limited (ASX Code: MIN).

PMI has completed field validation of Strike's drilling results. PMI was scheduled to undertake a desktop pre-feasibility study during the September quarter to assess the development options for the project, with a focus on determining the preferred product and mining rate along with the product transport and port options. PMI has moved the projected completion of the study back to the December quarter.

Under the farm-out agreement PMI has exclusive rights to explore for and mine iron ore from Paulsens East. Strike retains the rights to other minerals. If PMI mines iron ore at this project it will pay Strike a royalty of A\$3.20 per tonne, subject to variations in line with movements in an iron ore benchmark price.

Finance

Cash position

The Strike group's total cash and investments in liquid securities as at 30 September 2010 was ~A\$ 40.8 million, comprised of ~\$38.4 million cash and ~\$2.4 million in ASX-listed securities.

Strike's cash holding included exposure to ~US\$204,000 held in at-call accounts and term deposits at 30 September. The Strike group also has a smaller exposure to the Peruvian Nuevo Sol and the Indonesian Rupiah currencies. These foreign currency holdings facilitate Strike's operations and activities in Peru and Indonesia.

Mineral Tenements

Apurimac Ferrum S.A. Concessions

(Strike Resources has a 44% interest in the Apurimac Ferrum S.A. (AF) concessions at Apurimac and Cuzco, through its 44% interest in AF. Strike has potential to increase its interest in AF to 100% through a shoot-out mechanism, which is explained in Strike's 2010 Full Year Report.)

Apurimac Project – Peru (AF Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|------------------------|-----------|---------------------------|---------------------|-------------|--|-------------|
| (1) Opaban I | 999 | Andahuaylas | Andahuaylas (28-P) | 05006349X01 | No. 8625-94/RPM Dec. 16, 1994 | 20001465 |
| (2) Opaban III | 990 | Andahuaylas | Andahuaylas (28-P) | 05006351X01 | No. 8623-94/RPM Dec. 16, 1994 | 20001464 |
| (3) Los Andes I | 999 | Andahuaylas | Andahuaylas (28-P) | 05006372X01 | No. 0134-95-RPM Jan. 31, 1995 | 200001481 |
| (4) Pitumarca II | 1,000 | Andahuaylas | Andahuaylas (28-P) | 05006385X01 | No. 8686-94-RPM Dec. 22, 1994 | 20001478 |
| (5) Lucrecia Esperanza | 66.4 | Andahuaylas | Chalhuana (29-P) | 01-00649-99 | No. 00623-2001- INACC/J Jul. 26, 2001 | 11032475 |
| (6) Nueva Oropampa 6 | 400 | Andahuaylas | Chalhuana (29-P) | 01-00860-99 | No. 04043-2000- RPM Oct. 13, 2000 | 11032603 |
| (7) Mapsa 2001 | 800 | Andahuaylas | Andahuaylas (28-P) | 01-01204-01 | No. 00590-2002- INACC/J Apr. 8, 2002 | 11032600 |
| (8) Coriminas II | 1,000 | Andahuaylas | Chalhuana (29-P) | 01-01624-99 | No. 02760-2000- RPM, Jul. 25, 2000 | 11032965 |
| (9) Coriminas V | 1,000 | Andahuaylas | Chalhuana (29-P) | 01-01626-99 | No. 0936-00-RPM Mar.16, 2000 | 20003140 |
| (10) Ferrum 1 | 965 | Andahuaylas | Andahuaylas (28-P) | 01-02983-04 | No. 00228-2005- INACC/J Jan. 19, 2005 | 11053798 |
| (11) Ferrum 2 | 1,000 | Andahuaylas | Andahuaylas (28-P) | 01-02984-04 | No. 00227-2005- INACC/J Jan. 19, 2005 | 11053836 |
| (12) Ferrum 3 | 1,000 | Andahuaylas | Andahuaylas (28-P) | 01-02985-04 | No. 00229-2005- INACC/J Jan. 19, 2005 | 11053807 |
| (13) Ferrum 4 | 1,000 | Andahuaylas / Aymaraes | Andahuaylas (28-P) | 01-02986-04 | No. 00230-2005- INACC/J Jan. 19, 2005 | 11053810 |
| (14) Ferrum 5 | 959.4 | Aymaraes | Andahuaylas (28-P) | 01-02987-04 | No. 00323-2005- INACC/J Jan. 25, 2005 | 11053816 |
| (15) Ferrum 7 | 437 | Aymaraes | Andahuaylas (28-P) | 01-02989-04 | No. 00396-2005- INACC/J Jan. 27, 2005 | 11053822 |
| (16) Ferrum 8 | 900 | Andahuaylas | Andahuaylas (28-P) | 01-02990-04 | No. 00232-2005- INACC/J Jan. 19, 2005 | 11053827 |
| (17) Ferrum 9 | 1,000 | Aymaraes | Andahuaylas (28-P) | 01-02991-04 | No. 00324-2005- INACC/J Jan. 25, 2005 | 11053830 |
| (18) Ferrum 10 | 1,000 | Aymaraes | Andahuaylas (28-P) | 01-02992-04 | No. 00325-2005- INACC/J Jan. 25, 2005 | 11053833 |
| (19) Ferrum 11 | 1,000 | Aymaraes | Andahuaylas (28-P) | 01-02993-04 | No. 02512-2005- INACC/J Jun. 12, 2005 | 11053835 |
| (20) Ferrum 13 | 600 | Andahuaylas | Andahuaylas (28-P) | 01-03139-06 | No. 4416-2006- INACC/J Oct. 16, 2006 | 11061068 |
| (21) Ferrum 26 | 827.5 | Andahuaylas | Andahuaylas (28-P) | 01-02274-07 | No. 000853-2007- INGEMMET/PCD/P M Sept. 07, 2007 | 11073793 |
| (22) Ferrum 27 | 1,000 | Andahuaylas | Andahuaylas (28-P) | 01-02629-07 | No. 000581-2007- INGEMMET/PCD/P M Sept. 05, 2007 | 11073799 |
| (23) Ferrum 36 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10553307 | RP. 0176-2008- INGEMMET/PCD/P M Feb. 29, 2008 | 11075418 |

Apurimac Project – Peru (AF Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|---------------------------|-----------|-------------|---------------------|-------------|--|-------------|
| (24) Cristoforo 22 | 379.5 | Andahuaylas | Andahuaylas (29-P) | 01-01656-02 | RP2849-2007-INGEMMET/PCD/PM Dec. 13, 2007 | 11067786 |
| (25) Ferrum 28 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10507407 | RP0601-2008-INGEMMET/PCD/PC Mar, 07, 2008 | 11075423 |
| (26) Ferrum 29 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10507507 | RP0365-2008-INGEMMET/PCD/PM Mar, 07, 2008 | 11075419 |
| (27) Ferrum 30 | 963.2 | Andahuaylas | Chalhuana (29-P) | 10525907 | PP 1024-2008-INGEMMET/PCD/PM May, 05, 2008 | 11076757 |
| (28) Ferrum 31 | 327.2 | Andahuaylas | Andahuaylas (29-P) | 10552807 | RP 1266-2008-INGEMMET/PCD/PM May, 12, 2008 | 11076509 |
| (29) Ferrum 32 | 900 | Andahuaylas | Andahuaylas (29-P) | 10552907 | RP0402-2008-INGEMMET/PCD/PM Mar, 07, 2008 | 11075425 |
| (30) Ferrum 33 | 900 | Andahuaylas | Andahuaylas (29-P) | 10553007 | RP0547-2008-INGEMMET/PCD/PM Mar, 07, 2008 | 11075421 |
| (31) Ferrum 34 | 800 | Andahuaylas | Andahuaylas (29-P) | 10553107 | RP0764-2008-INGEMMET/PCD/PM Apr. 17, 2008 | 11075427 |
| (32) Ferrum 35 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10553207 | RP0347-2008-INGEMMET/PCD/PC Mar, 07, 2008 | 11075426 |
| (33) Ferrum 37 | 695.3 | Andahuaylas | Andahuaylas (29-P) | 10621507 | RP 1164-2008-INGEMMET/PCD/PM May, 12, 2008 | 11076534 |
| (34) Ferrum 56 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10133508 | RP 1971-2008-INGEMMET/PCD/PM Jun 19, 2008 | 11077123 |
| (35) Ferrum 57 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10133608 | RP 3279-2008-INGEMMET/PCD/PM Sept. 9, 2008 | 11081417 |
| (36) Ferrum 58 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10133708 | Jun 27, 2008 RP 2206-2008-INGEMMET/PCD/PM | 11077127 |
| (37) Ferrum 59 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10133808 | Jun 27, 2008 RP 2272-2008-INGEMMET/PCD/PM | 11077122 |
| (38) Ferrum 61 | 1,000 | Aymaraes | Andahuaylas (29-P) | 010073308 | - | in process |
| (39) Pacunco 1 | 800 | Andahuaylas | Andahuaylas (29-P) | 10019508 | RP 1806-2008-INGEMMET/PCD/PM May 29, 2008 | 11076523 |
| (40) Minas Huaycco | 800 | Abancay | Abancay (28Q) | 10168708 | RP 2541-2008-INGEMMET/PCD/PM Aug. 08, 2008 | 11081416 |
| (41) Cassio 100 | 400 | Andahuaylas | Chalhuana (29-P) | 10182808 | RP 3321-2008-INGEMMET/PCD/PM Sept. 10, 2008 | 11081415 |

Cuzco Project – Peru (AF Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|---------------------|-----------|-----------------------------|---------------------|-------------|--|-------------|
| (1) Flor de María | 906.9 | Chumbivilcas | Livitaca (29-S) | 05006521X01 | No. 7078-95-RPM Dec. 29, 1995 | 20001742 |
| (2) Delia Esperanza | 1,000 | Chumbivilcas | Livitaca (29-S) | 05006522X01 | No. 0686-95-RPM Mar. 31, 1995 | 20001743 |
| (3) Julia Clara | 1,000 | Chumbivilcas | Livitaca (29-S) | 05006523X01 | No. 4600-95/RPM Sept. 26, 1995 | 20001744 |
| (4) El Pacífico I | 618.9 | Chumbivilcas | Livitaca (29-S) | 05006536X01 | No. 7077-95/RPM Dec. 29, 1995 | 20001785 |
| (5) El Pacífico II | 1,000 | Chumbivilcas | Livitaca (29-S) | 05006524X01 | No. 7886-94/RPM Nov. 25, 1994 | 20001746 |
| (6) Ferrum 14 | 268.4 | Chumbivilcas | Livitaca (29-S) | 01-03047-05 | No. 05032-2005- INACC/J Nov. 30, 2005 | 11053842 |
| (7) Ferrum 15 | 992.1 | Chumbivilcas | Livitaca (29S) | 10494906 | RJ. 0753-2007- INACC/J Mar. 05, 2007 | 11073796 |
| (8) Ferrum 17 | 500 | Chumbivilcas | Livitaca (29S) | 10026607 | RP. 1815-2007- INGEMMET/PCD/P M Oct. 30, 2007 | 11073794 |
| (9) Ferrum 18 | 800 | Chumbivilcas /Cotabambas | Santo Tomas (29R) | 10026707 | RP 1761-2008- INGEMMET/PCD/P M May 29, 2008 | 11076514 |

Strike Resources Limited Concessions

(The concessions at Apurimac and Cuzco listed in the tables below are 100% owned by Strike Resources, subject to an option for AF to acquire those concessions.)

Apurimac Project – Peru (Strike Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|-----------------|-----------|-------------|---------------------|----------|---|-------------|
| (1) Ferrum 38 | 800 | Andahuaylas | Andahuaylas (29-P) | 10015205 | RP1288-2008- INGEMMET/PCD/P M May, 12, 2008 | 11064280 |
| (2) Ferrum 39 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10047605 | RP 1573-2008- INGEMMET/PCD/P M May 29, 2008 | 11064281 |
| (3) Ferrum 40 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10623507 | RP 2905-2008- INGEMMET/PCD/P M Aug 19, 2008 | 11076528 |
| (4) Ferrum 41 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10131408 | RP 1965-2008- INGEMMET/PCD/P M Jun 19, 2008 | 11076755 |
| (5) Ferrum 42 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10131508 | RP 1975-2008- INGEMMET/PCD/P M Jun 19, 2008 | 11077114 |
| (6) Ferrum 43 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10131608 | RP 3243-2008- INGEMMET/PCD/P M Sept. 9, 2008 | 11077113 |
| (7) Ferrum 44 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10131908 | RP 1934-2008- INGEMMET/PCD/P M Jun 19, 2008 | 11077115 |
| (8) Ferrum 45 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132008 | RP 2283-2008- INGEMMET/PCD/P M Jun 27, 2008 | 11077116 |

Apurimac Project – Peru (Strike Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|-------------------|-----------|-------------|---------------------|----------|--|-------------|
| (9) Ferrum 46 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132108 | RP 2523-2008-INGEMMET/PCD/P M Aug. 08, 2008 | 11079784 |
| (10) Ferrum 47 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132208 | RP 1908-2008-INGEMMET/PCD/P M Jun 18, 2008 | 11077117 |
| (11) Ferrum 48 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132308 | RP 1756-2008-INGEMMET/PCD/P M May 29, 2008 | 11076584 |
| (12) Ferrum 49 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132408 | RP 2000-2008-INGEMMET/PCD/P M Jun 19, 2008 | 11077118 |
| (13) Ferrum 50 | 900 | Andahuaylas | Andahuaylas (29-P) | 10132508 | RP 1922-2008-INGEMMET/PCD/P M Jun 19, 2008 | 11077120 |
| (14) Ferrum 51 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132608 | RP 1893-2008-INGEMMET/PCD/P M Jun 18, 2008 | 11077121 |
| (15) Ferrum 52 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132708 | RP 2803-2008-INGEMMET/PCD/P M Aug 18, 2008 | 11079786 |
| (16) Ferrum 53 | 1,000 | Andahuaylas | Andahuaylas (29-P) | 10132808 | RP 2550-2008-INGEMMET/PCD/P M Aug. 08, 2008 | 11079787 |
| (17) Ferrum 54 | 700 | Andahuaylas | Andahuaylas (29-P) | 10132908 | RP 2899-2008-INGEMMET/PCD/P M Aug. 19, 2008 | 11079788 |
| (18) Ferrum 55 | 800 | Andahuaylas | Andahuaylas (29-P) | 10133408 | RP 2951-2008-INGEMMET/PCD/P M Aug. 19, 2008 | 11079789 |
| (19) Ferrum 60 | 200 | Abancay | Abancay (28Q) | 10073208 | RP 2986-2008-INGEMMET/PCD/P M Aug. 19, 2008 | 11084879 |
| (20) Ferrum 62 | 900 | Abancay | Abancay (28Q) | 10073408 | RP 3177-2008-INGEMMET/PCD/P M Sept . 8, 2008 | TBA |
| (21) Ferrum 63 | 300 | Grao | Abancay (28Q) | 10073008 | RP 3040-2008-INGEMMET/PCD/P M Aug. 28, 2008 | 11076586 |
| (22) Pichirhua 1 | 800 | Abancay | Andahuaylas (29-P) | 10151708 | RP 2638-2008-INGEMMET/PCD/P M Aug. 11, 2008 | 11079794 |
| (23) Pichirhua 2 | 400 | Abancay | Andahuaylas (29-P) | 10151808 | RP 3183-2008-INGEMMET/PCD/P M Sept . 8, 2008 | 11081445 |
| (24) Colcabamba 1 | 600 | Aymaraes | Andahuaylas (29-P) | 10212308 | RP 2986-2008-INGEMMET/PCD/P M Aug. 19, 2008 | 11079780 |
| (25) Colcabamba 2 | 500 | Aymaraes | Andahuaylas (29-P) | 10212408 | RP 3177-2008-INGEMMET/PCD/P M Sept . 8, 2008 | 11081451 |

Apurimac Project – Peru (Strike Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|---------------------|-----------|-------------|---------------------|-------------|--|-------------|
| (26) Colcabamba 3 | 900 | Aymaraes | Andahuaylas (29-P) | 10217208 | RP 3040-2008-INGEMMET/PCD/PM Aug. 28, 2008 | 11079781 |
| (27) Sillaccassa 1 | 700 | Andahuaylas | Chincheros (28- O) | 10212608 | RP 5088-2008-INGEMMET/PCD/PM Nov. 19, 2008 | 11079791 |
| (28) Sillaccasa 2 | 400 | Andahuaylas | Chincheros (28- O) | 10212508 | RP 3183-2008-INGEMMET/PCD/PM Sept. 8, 2008 | 11081449 |
| (29) Cristoforo 14* | 1000 | Andahuaylas | Andahuaylas (29-P) | 01-02327-99 | No. 02693-2000 RPM 24 Jul. 2000 | 11034702 |
| (30) Cristoforo 28* | 500 | Aymaraes | Chalhuanca (29-P) | 01-00152-05 | No. 01824-2005 INACC/J 4 May 2005 | 11064280 |
| (31) Ferroso 29* | 400 | Andahuaylas | Andahuaylas (29-P) | 01-00473-05 | No. 01709-2005 RPM 21 Apr. 2004 | 11064281 |
| (32) Helimag 1 | 900 | Andahuaylas | TBA | 01-00152-05 | No. 000741-2010 INGEMMET/PCD/PM 22 Mar. 22 2010 | 11064280 |

*Strike Resources holds an option to acquire these concessions. Under the terms of the AF Settlement Agreement, Strike's rights under the option will be transferred to AF.

Cuzco Project – Peru (Strike Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|-----------------|-----------|--------------|--------------------------|-----------|--|-------------|
| (1) Ferrum 72 | 1,000 | Paruro | Cotabamba(28R) | 10408208 | RP 4435-2008-INGEMMET/PCD/PM Oct. 21, 2008 | 11084851 |
| (2) Ferrum 73 | 1,000 | Paruro | Cuzco(28S) | 10409608 | RP 5050-2008-INGEMMET/PCD/PM Nov. 19, 2008 | 11084874 |
| (3) Ferrum 74 | 1,000 | Paruro | Cuzco(28S) | 10408208 | RP 5006-2008-INGEMMET/PCD/PM Nov. 19, 2008 | 11084871 |
| (4) Ferrum 75 | 302.8 | Paruro | Cotabamba(28R) | 10409808 | RP 5130-2008-INGEMMET/PCD/PM Nov. 19, 2008 | 11084873 |
| (5) Ferrum 76 | 973.83 | Chumbivilcas | Cotabamba(28R) | 10409908 | RP 4323-2008-INGEMMET/PCD/PM Oct. 20, 2008 | 11084870 |
| (6) Ferrum 77 | 1,000 | Paruro | Cotabamba(28R) | 10408108 | RP 5227-2008-INGEMMET/PCD/PM Nov. 19, 2008 | 11084868 |
| (7) Ferrum 65 | 1,000 | Paruro | TBA | 010580008 | RP 0337-2009-INGEMMET/PCD/PM Feb. 19, 2009 | TBA |
| (8) Ferrum 66 | 100 | Paruro | TBA | 010580208 | RP 1613-2009-INGEMMET/PCD/PM 4 Jun. 2009 | TBA |
| (9) Ferrum 67 | 100 | Chumbivilcas | TBA | 010579908 | R.P. 5849-2008-INGEMMET/PCD/PM 17 Dec. 2008 | TBA |
| (10) Ferrum 68 | 1,000 | Acomayo | Cusco-28-S Livitaca-29-S | 010579808 | RP 1185-2009-INGEMMET/PCD/PM Mar. 31 2009 | TBA |
| (11) Ferrum 69 | 1,000 | Acomayo | TBA | 010579608 | R.P. 1633-2009-INGEMMET/PCD/PM 4 Jun. 2009 | TBA |
| (12) Ferrum 70 | 1,000 | Acomayo | Livitaca-29-S | 010579608 | R.P. 1848-2009-INGEMMET/PCD/PM 11 Jun. 2009 | TBA |
| (13) Ferrum 71 | 1,000 | Acomayo | Livitaca-29-S | 010579508 | RP 1120-2009-INGEMMET/PCD/PM Mar. 31, 2009 | TBA |

Cuzco Project – Peru (Strike Concessions)

| Concession Name | Area (Ha) | Province | National Chart Ref. | Code | Title | File Number |
|-------------------|-----------|----------|---------------------|-----------|---|-------------|
| (14) Colcabamba 4 | 400 | Acomayo | TBA | 010580108 | RP 1117-2009-INGEMMET/PCD/PM Mar. 31, 2009 | TBA |

Paulsens East Project – Western Australia

(These concessions are 100% beneficially owned by Strike Resources, subject to the farm-out agreement detailed under the section on the Paulsens East Project in Strike's 2010 Full Year Report.)

| Tenement No | Status | Grant Date | Expiry Date | Area (blocks/ha) | Area (km ²) |
|----------------|---------|------------|-------------|------------------|-------------------------|
| (1) EL 47/1328 | Granted | 05/10/06 | 04/10/11 | 6 blocks | 18 |
| (2) PL 47/1170 | Granted | 27/03/06 | 26/03/11 | 164 hectares | 1.64 |
| (3) M 47/1437* | Pending | N/A | N/A | 164 hectares | 1.64 |

*Subject to the farm-out referred to in the Paulsens East Project section of this report.

*Representing an application to convert PL 47/1170 into a mining lease.

Securities Information

(as at 30 September 2010)

Distribution of ordinary, fully-paid shares

| Spread of Holdings | Number of Holders | Number of Units | % of Issued Capital |
|--------------------|-------------------|--------------------|---------------------|
| 1 - 1,000 | 527 | 265,075 | 0.203 |
| 1,001 - 5,000 | 1,448 | 4,564,067 | 3.510 |
| 5,001 - 10,000 | 552 | 4,496,002 | 3.458 |
| 10,001 - 100,000 | 752 | 23,051,980 | 17.728 |
| 100,000 - and over | 85 | 97,657,144 | 75.101 |
| Total | 3,364 | 130,034,268 | 100% |

Top 20 ordinary, fully-paid shareholders

| Rank | Shareholder | Total Shares | % of Issued Capital |
|--------------|---------------------------------------|-------------------|---------------------|
| 1 | HSBC Custody Nominees (Australia) Ltd | 30,204,327 | 23.228 |
| 2 | Orion Equities Ltd | 13,190,802 | 10.144 |
| 3 | Database Systems Ltd | 9,377,090 | 7.211 |
| 4 | Ferrous Resources Ltd | 6,370,000 | 4.899 |
| 5 | Nefco Nominees Pty Ltd | 4,681,760 | 3.600 |
| 6 | National Nominees Ltd | 4,126,862 | 3.174 |
| 7 | Alara Resources Ltd | 3,573,889 | 2.748 |
| 8 | Redhill Partners Pte Ltd | 2,477,092 | 1.905 |
| 9 | ANZ Nominees Ltd | 1,589,901 | 1.223 |
| 10 | Citicorp Nominees Pty Ltd | 1,248,709 | 0.960 |
| 11 | J P Morgan Nominees Australia Ltd | 1,192,822 | 0.917 |
| 12 | J P Morgan Nominees Australia Ltd | 1,150,631 | 0.885 |
| 13 | Pater Investments Pty Ltd | 1,125,000 | 0.865 |
| 14 | Mr Gordon Anthony | 800,000 | 0.615 |
| 15 | Mr George Macfie | 800,000 | 0.615 |
| 16 | Aliana Pty Ltd | 700,000 | 0.538 |
| 17 | Empire Holdings Pty Ltd | 700,000 | 0.538 |
| 18 | Mr David Thompson | 621,000 | 0.478 |
| 19 | M&M Holdings Pty Ltd | 606,000 | 0.466 |
| 20 | Mr Farooq Khan | 530,010 | 0.408 |
| Total | | 85,065,895 | 65.417 |

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Strike Resources Limited and controlled entities

ABN

94 088 488 724

Quarter ended

30 September 2010

Consolidated statement of cash flows

Consolidated

| | Current quarter Sept 2010 \$'000 | Year to date Sept 2010 \$'000 |
|---|--|-------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) administration | (1,877) | (1,877) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other costs of finance paid | - | - |
| 1.5 Income taxes paid | - | - |
| 1.6 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (1,877) | (1,877) |

Notes:

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

- (1) Strike Operations Pty Ltd ABN 12 102 978 370 (SOPL), a wholly-owned subsidiary;
- (2) PT Indo Batubara (PTIB), a company registered in Indonesia of which SOPL is the 100% beneficial owner;
- (3) Strike Indo Operations Pty Ltd ACN 124 702 245 (SIOPL), a wholly-owned subsidiary;
- (4) PT Orion Indo Mining (PTOIM), a company registered in Indonesia of which SIOPL is the 100% beneficial owner;
- (5) Strike Australian Operations Pty Ltd ACN 119 438 265, a wholly-owned subsidiary;
- (6) Strike Finance Pty Ltd ACN 136 444 696 (SRKF), a wholly-owned subsidiary;
- (7) Strike Resources Peru SAC (Strike Peru), a wholly-owned subsidiary incorporated in Peru; and
- (8) Ferrum Holdings Limited (FHL), a wholly-owned subsidiary company incorporated in British Anguilla.

| | Current quarter Sept 2010 \$'000 | Year to date Sept 2010 \$'000 |
|---|--|-------------------------------------|
| 1.7 Net Operating Cash Flows (brought forward) | (1,877) | (1,877) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) Property plant and equipment | (109) | (109) |
| 1.9 Proceeds from sale of: | | |
| (a) equity investments | - | - |
| 1.10 Interest received | 231 | 231 |
| 1.11 Loans to other entities* | (1,854) | (1,854) |
| 1.12 Payments for exploration and evaluation | (237) | (237) |
| 1.13 Loans repaid by other entities | - | - |
| 1.14 Other (provide details if material) | - | - |
| Net investing cash flows | (1,969) | (1,969) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | - |
| 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) | - | - |
| 1.21 Payment for share issue and options costs | - | - |
| Net financing cash flows | - | - |
| Net increase (decrease) in cash held | (3,848) | (3,848) |
| 1.22 Cash at beginning of quarter/year to date | 41,445 | 41,445 |
| 1.23 Exchange rate adjustments to item 1.22 | 801 | 801 |
| 1.24 Cash at end of quarter | 38,398 | 38,398 |

Note:

* Loans to "other entities" comprised loans made to an associate entity, Apurimac Ferrum S.A. ("AF"), pursuant to an executed Loan and Mortgage Agreement formalised by public deed dated 23 July 2009. These loans provide funding for the exploration and evaluation activities on iron ore projects in Peru, in which Strike holds a 44% interest.

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
Sept. 2010
\$'000

| | | |
|------|--|-------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | (171) |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |
| 1.26 | Explanation necessary for an understanding of the transactions: Amounts disclosed at 1.24 represent the payment of director fees for the September 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: N/A | |
| 2.2 | Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest: N/A | |

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 | 269 |
| 4.2 | Development | 682 |
| 4.3 | Loans to associate* | 3,000 |
| 4.4 | Administration | 969 |
| Total | 4,920 | |

Note:

* Loans to Associate will comprise loans to Apurimac Ferrum S.A. (Peru) pursuant to an executed Loan and Mortgage Agreement formalised by public deed dated 23 July 2009. Strike Resources Ltd holds its interest in the Peruvian Apurimac Ferrum iron ore project through its shareholding in Apurimac Ferrum S.A.

Reconciliation of cash

| | | Consolidated | |
|---|--------------------------|---------------------------|----------------------------|
| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter \$'000 | Previous quarter \$'000 |
| 5.1 | Cash on hand and at bank | 2,333 | 6,069 |
| 5.2 | Deposits at call | 36,065 | 35,376 |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (Bank Bills) | - | - |
| Total cash at end of quarter (item 1.24) | | 38,398 | 41,445 |

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 | Nil | | |
| 6.2 | Interests in mining tenements acquired or increased | Nil | | |

Issued and quoted securities at end of current quarter

| | | Total number | Number quoted | Issue price per security (see note 4) (cents) | Amount paid up per security (see note 4) (cents) |
|------|--|--------------|---------------|---|--|
| 7.1 | Preference ⁺ securities ⁺ | - | | | |
| 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 (all unlisted) | | | <i>Exercise price</i> | <i>Expiry date</i> |
| | Options | 1,833,333 | | 17.8 cents | 9 February 2011 |
| | Options | 1,666,667 | | 27.8 cents | 9 February 2011 |
| | Director options | 4,600,000 | | 93.8 cents | 21 July 2011 |
| | Director options | 500,000 | | 93.8 cents | 13 September 2011 |
| | Director options | 500,000 | | 207.8 cents | 7 March 2012 |
| | Director options | 3,300,000 | | 278.8 cents | 7 March 2012 |
| | Employee options | 33,000 | | 287.8 cents | 1 May 2012 |
| | Director options | 4,000,000 | | 397.8 cents | 3 December 2012 |
| | Employee options | 250,000 | | 287.8 cents | 4 March 2013 |
| | Options | 903,404 | | 275.0 cents | 29 July 2011 |
| | Employee options | 250,000 | | 275.0 cents | 13 October 2013 |
| | Director options | 750,000 | | 250.0 cents | 24 November 2012 |
| | Director options | 750,000 | | 275.0 cents | 24 November 2012 |
| | Director options | 750,000 | | 325.0 cents | 24 November 2012 |
| 7.8 | Issued during quarter | - | | | |
| 7.9 | Exercised during quarter | - | | | |
| 7.10 | Expired during quarter | - | | | |
| 7.11 | Debentures (<i>totals only</i>) | - | | | |
| 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Stephen Gethin
Company Secretary

Date: 30 September 2010

+ See Chapter 19 of the ASX Listing Rules for defined terms.

Notes

- 1) The Company held the following share investments at 30 September 2010:

| Company | No Shares | % | 30 September 2010 | |
|---------------------------------|------------|------|-------------------|-----------------------|
| | | | Closing Price | Market Value |
| Alara Resources Limited (AUQ) | 12,750,000 | 15.8 | \$0.160 | \$2,040,000 |
| Orion Equities Limited (OEQ) | 505,026 | 2.8 | \$0.415 | \$209,586.00 |
| Queste Communications Ltd (QUE) | 826,950 | 2.9 | \$0.125 | \$103,369.00 |
| Total | | | | \$2,352,955.00 |

- 2) 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 rates as at 30 September 2010.
- 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.
- 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.