



Quarterly Report - December 2010

For the 3 months to 31 December 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 15 - 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 move to the development phase quickly once agreement is reached with the local partner.

December Quarter Highlights

- Significant zones of massive magnetite ironstone intersected in two of the three initial holes at the first target area at Colcabamba. In all, 10 holes testing 3 separate zones are planned.
- Production rate and product transport analysis leads to production target of 15 – 20Mtpa and retention of slurry product base case with rope conveyor alternative for ore and product transport.
- Key short-term focus for Apurimac Ferrum (AF) of expanding the Apurimac iron ore resource base to at least 500 million tonnes.
- Strategic decisions made to appoint Lima-based CEO for AF and further strengthen the Peru based team.
- Significant progress made on approvals and community relations at Apurimac with:
 - Constructive discussions undertaken with new community leaders following regional elections.
 - Community programs established at Colcabamba as part of initial drilling program.
 - Initial discussions held with several communities for access to satellite concession prospects.
 - Detailed drilling proposals for Opaban prepared for formal discussions.
- Initial JORC resource for first stage drilling at Cuzco nearing completion.
- Formal negotiations underway with partner on development options for Berau.
- Sale of listed shares pursuant to strategic review of asset holdings realises \$3.2 million.
- Strong cash position retained with \$40.7 million in cash 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 exploration program, with a budgeted cost of US\$25 million over the next 18 – 24 months, principally comprises a major drilling campaign with the objectives of:

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.

- increasing the current iron ore Resources of 269 million tonnes ("Mt") at an average grade of 57.3% Fe to at least 500Mt, at a similar grade; and
- increasing the Measured and Indicated Resources within the total Resource to at least 250 Mt, at a similar grade.

(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.)

In parallel with this work a number of technical and trade-off studies will be undertaken to identify the optimum combination of annual mine production, final products, product and ore transport methods, as well as providing data for project approvals. These studies and programs include:

- geotechnical and metallurgical core drilling and associated test work to facilitate mining studies and processing optimisation;
- additional baseline environmental studies;
- developing preferred configurations for the development of the Apurimac satellite deposits and Cuzco; and
- further strengthen community relationships and programs.

Subject to positive exploration results, AF then expects to undertake a detailed Pre-feasibility Study with an estimated cost of US\$10M.

In addition, re-logging of the initial drilling program at the Santa Tomas concessions within the Cuzco project has been completed and SRK Consulting has been engaged to prepare a resource estimate. Unexpected delays over the Christmas holiday period and additional work required to define individual higher-grade iron ore zones with lower impurity levels, which may represent potential direct ship material, have delayed the completion of the resource estimate, which is now planned for completion in February.

Figure 1: Apurimac and Cuzco Project Locations



Increased Resources Targets - Colcabamba

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 initial focus has been 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 to test the three target areas commenced in December as planned.

(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 geologically associated with an intrusive complex of diorite to quartz monzonite dikes and sills with iron rich hydrothermal mineralisation occurring within, and at the margins of these intrusions as breccias or skarns. These mineralised systems are generally tabular and steeply dipping, indicating reasonable depth continuity.

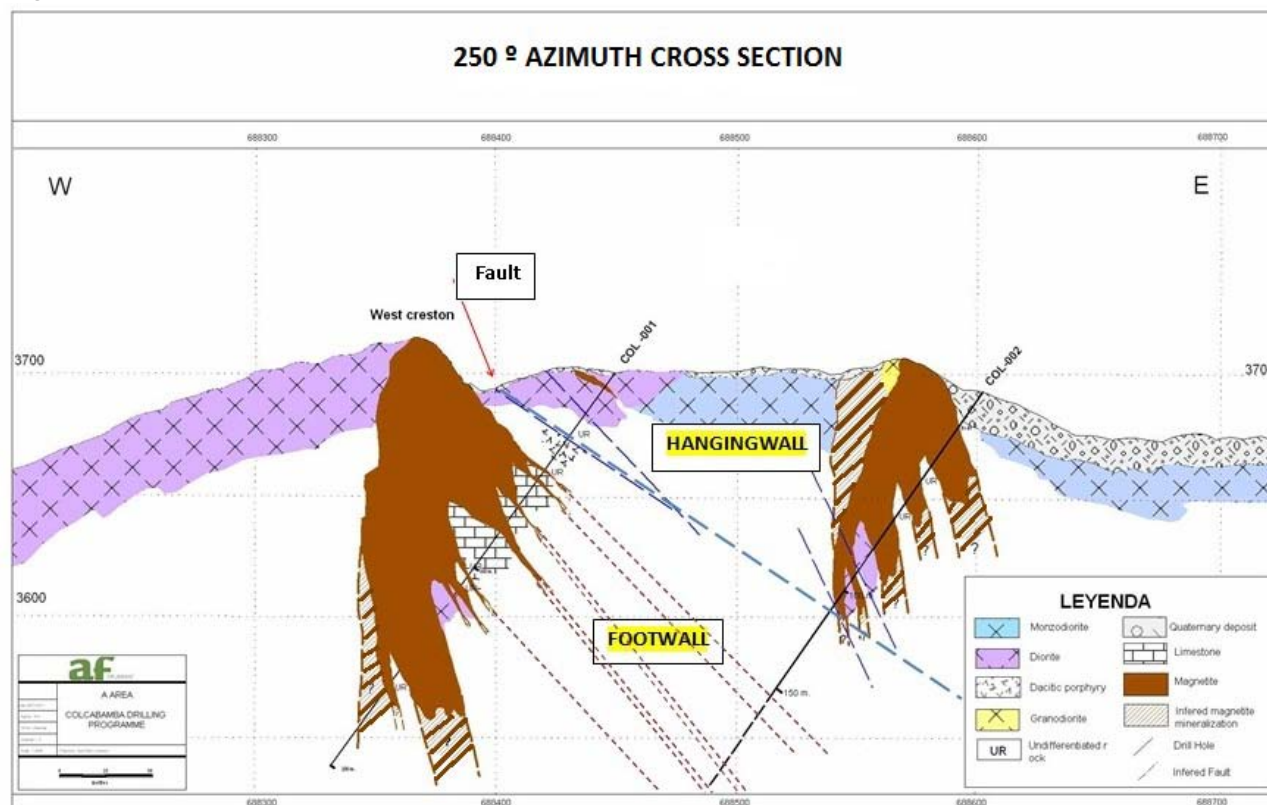
Drilling activities at Colcabamba commenced on 13 December and are progressing as planned, with the initial three of the 10 holes now complete in the first target area, Area A. The first of these holes (COL-003) intersected 16m of massive magnetite and several subsidiary zones or hydrothermal breccia veins with a combined thickness of 35 metres.

The second hole (COL-001) intersected a series of subsidiary magnetite-rich zones and a massive magnetite ore zone over 45 meters (down hole) thickness. Given the steep dip of the mineralised zones the down-hole lengths are expected to be reasonably close to the true thickness of the zone (see Figure 2 below). The total (cumulative) width of the magnetite rich zones in this hole is 102 metres with the majority of this material described as massive to semi-massive magnetite.

The third hole (COL-002) intersected several zones of massive to semi-massive magnetite ore zone individually up to 25 metres thick and with a composite thickness of 58 metres (see Figure 2 below).

Although no analytical results are available as yet the results from the drilling to date on Area A (based on drill hole logging) have been in line with or better than expected from the surface mapping and sampling.

Figure 2: Drill cross section for COL-001 and COL-002 at Colcabamba



Sampling of priority sections of the drill core is underway with approximately 50 samples despatched to the laboratory for assay to date. Results are expected to flow progressively from mid-February.

The drilling program is progressing as planned although some minor disruptions have been experienced due to the “wet season”. The fourth hole, which is the initial test of Area B, is now underway and it is anticipated the majority of the drilling will be completed during the March quarter.

Approvals Progress and Community Relations

The approval processes for exploration and drilling programs in Peru are extensive and highly structured. These processes are mandated by law and include both environmental and community approvals. As outlined in previous reports, while most government approvals have a mandated time frame, community approvals are largely in the hands of the community authorities and the General Assembly process which involves a formal meeting of the entire community.

Accordingly it is crucial for resource companies to establish strong community relations (CR) teams and leading practice CR policies and programs. AF has been fortunate to secure Mr Luis Orihuela, a very experienced and respected CR Manager, to lead its team. Mr Orihuela commenced work with AF in November, 2010.

The top priority for Mr Orihuela during the quarter has been to spend time in the field with the AF community relations team completing a detailed review and developing relationships. Outcomes from this review have led to additional resources being recruited for the AF CR field team and an improved definition of the approvals process and AF's CR systems. This review was completed as planned in the December quarter and the outcomes are now being incorporated into a revised project plan for AF. This revised schedule and the associated budget are nearing completion with formal approval expected in the first quarter of 2011.

The conclusion of regional and local elections late in 2010 has seen the establishment of new authorities in many of the communities within the AF concessions. There is a process of formal change-over of authority which can take up to 2 months and relationships need to be established with the new leadership in some cases. This has been factored into the project plan and work in these areas has commenced.

At Colcabamba, all community and government approvals for drilling were received in the December quarter as planned, with drilling commencing late in the quarter as reported above. The AF Community Relations Team is now focussing on implementing a number development projects in the Colcabamba community which have been jointly determined with the community. These include:

- Construction of an access road to the Colcabamba Community's eucalyptus plantation to assist with the logging of this plantation. This road provides shared drilling and plantation access.
- Development of the elderly people's association in the Colcabamba Community. This includes some renovations of the Elderly Peoples Home and other infrastructure improvements for the elderly in the community.
- Implementation of knitting workshops for women in the Colcabamba community to assist them to develop this into an economic activity.
- Animal husbandry training for local farmers to improve their ability to generate income from animal production in the community.

AF plans to meet all the agreed commitments with the Colcabamba community noted above, and in addition, integrate these commitments into a development plan for the Colcabamba Community. Some of the issues raised by the community that may form a part of this development plan are:

- Waste disposal and management.
- Food management standards, to allow the community to understand the requirements to prepare food for sale.
- Water preservation and use. This will include the completion of a water use survey in the village to identify potential improvements to reduce water consumption.

AF expects the Colcabamba Community projects to be used as a reference for other communities, to display its professionalism and commitment to developing and implementing jointly-agreed community enhancement programs and becoming a valued partner of the community.

The communities of Huinchos and Huancabamba lie adjacent to the Opaban 1 and 3 resources. Good progress has been made with the Huinchos community during the quarter, ending with a Christmas activity which included sharing activities for the children within the community.

As previously reported, the Huancabamba community issued a formal invitation to AF to commence formal discussions regarding drilling. Dialogue has been halted to allow community problems associated with the approvals of another mining company to be resolved. AF has investigated this issue and is implementing a strategy to mitigate further delays.

During the December quarter AF received notice of a municipal ordinance from the outgoing Mayor of Andahuaylas protecting the local head waters from any development which may impact the biodiversity of these locations. AF is committed to sustainable practices and operations, and is implementing a plan to mitigate against the potential impacts of this ordinance on AF activities and ensuring mining projects and other industries continue to co-exist with and deliver sustainable results for both the communities and the region as a whole.

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 then 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 exploration and study program. Details of these studies are set out below.

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".

Detailed Water Study

Given the significant sensitivity to the use of large quantities of water in Peru, AF has commissioned Golder Associates Peru to complete a review of the water supply and discharge options for the project's slurry pipeline (base case) alternative. This study was awarded late in the December quarter and will be completed in 2 phases. The first phase will be a desktop review the current supply and discharge options, develop potential alternatives and recommend preferred options. The second phase will investigate in detail the preferred options recommended from the first study phase. Results from the first phase of the study are expected either late in the March quarter or early in the June quarter of 2011.

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 574 kilometres (km).
- The rail option requires 120 tunnels with a combined length 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 a 20Mtpa capacity is US\$3 billion +20%.
- The operating cost for the rail option is \$5.90 per tonne +/- 20% for 20Mtpa of product.

The transport option analysis completed during the December quarter confirmed the high capital cost of the railway option is not able to be supported by the AF Project alone. AF has no further work planned on the railway transport option at this stage.

Rope conveyor (Ropecon) concept study

The AF Study on a Doppelmayr rope conveyor was completed as planned in the December quarter. The key outcomes of this study are:

- A Ropecon option is suitable for the transport of 10 to 20Mtpa of crushed ore, lump and fines or concentrate products from the mine site to the port.
- The route length of the conveyor is ~288km, requiring 31 Ropecon sections.
- The total installed cost estimate for the Ropecon transport system is US\$2.1B +/-35%.
- The operating cost estimate for the Ropecon transport system is \$1.1/t +/-35%. This includes a credit associated with the impact of power generation on the downhill sections.

Importantly, the capital and operating costs for the Ropecon option are significantly lower than for the rail transport system which has a capital cost of US\$3.0B and operating costs of US\$5.90/t. Accordingly, it is expected to deliver a material improvement in the project economics compared to the rail transport option.

In addition, the Ropecon is capable of transporting both crushed ore and all of the product alternatives (lump, fines and coarse concentrate) to the port. This potentially provides operational flexibility as well as allowing alternative project configurations such as locating all of the processing facilities, or simply the more complex concentrator portion of the project, at the coast. In addition, this may enable the deferral of the capital costs for the concentrator until after the high grade material is mined and processed. These options are expected to deliver capital and operating cost savings for the project.

The Ropecon alternative has the potential to significantly reduce the water requirements of the project when compared to the slurry pipeline option. As water is a key factor in community sentiments in Peru, this has the potential to simplify the community approvals process for the project.

In addition, the Ropecon is expected to provide the preferred ore transport option from satellite deposits to a processing facility at Opaban due to its suitability for traversing rugged terrain and its low operating cost. The Ropecon study is only at concept level at present and a large volume of additional work is necessary to confirm that it is feasible from construction and operational perspectives. One key risk area for the Ropecon option is the fact that multiple unit Ropecon facilities are not yet operational on a commercial scale. While this risk is expected to be addressed during the remaining exploration and study phase of the project, AF believes it is prudent to retain the slurry option as the project base case at this point in time.

Preliminary Metallurgical Testwork Program

During the December quarter the company completed planning for a program of "sighter" metallurgical testwork to determine if suitable DSO (lump and fines) products can be generated at Opaban through a simple screening process. Earlier screening testwork at -1mm indicated that the contaminants, especially silica and alumina, preferentially report to the

finer portions, suggesting that higher-grade products may be produced by rejecting the finest fractions from a simple screening process.

A parallel program will explore methods to up-grade the remaining lower grade magnetite resource. This program will utilise existing diamond core from historical drilling campaigns and will seek to leverage off earlier testwork which suggested that suitable products could be produced by magnetic separation on products at sizes as coarse as -1mm.

Samples for this testwork program were defined and despatched to the Metallurgical Testwork Laboratory in Lima late in the December quarter. The sighter testwork has now commenced and initial results are expected late in the first quarter of 2011.

Should these testwork results prove positive, the option of developing an initial, simpler processing operation based on treatment of the higher grade ore at Opaban will be added to the detailed PFS scope. It is expected that this option would provide reduced up-front capital costs and lower operating costs in the initial years of an operation as construction of the more complex magnetic concentrator could be deferred for several years. While these are only preliminary results, they are seen as a positive step for the Apurimac project.

Transport Option Analysis

AF completed preliminary analysis of the potential transport options available for Apurimac Project during the quarter. This process compared project configurations available with each of the transport options, specifically the slurry pipeline, rope conveyor and railway, at a range of production rates. The following points summarise the outcomes from this review:

- Slurry pipeline remains the preferred base case, with the best financial and risk profile.
- A Ropecon system offers attractive project configurations if a lump and fines product is feasible for AF ores. This option carries an elevated risk profile due to the length of the rope conveyor and the high number of transfer points required.
- The high capital costs of the railway project configurations lead to these offering the poorest financial returns. A railway alternative cannot be supported by the AF project alone.
- A production rate of 15 to 20Mtpa is required to provide robust financial returns using current long-term iron ore price forecasts. To achieve a mine life of 20 years AF is targeting a resource base of at least 500Mt.

The option analysis will be up-dated as the results of the preliminary metallurgical testwork and detailed water study become available.

Strategic Direction and Project Timetable

A strategic review of AF was undertaken by the management team following completion of the transport option study, production rate analyses and an appraisal of management performance. Key findings were:

- A production rate of at least 15Mtpa, and ideally 20Mtpa, is required to deliver robust financial returns based on current long-term price forecasts and the likely project configurations.
- An operational life of at least 15 years, and preferably 20 years or more, is necessary to support the capital expenditure for the project.
- Based on expected mass recoveries at Opaban a mining reserve of at least 500Mt is necessary to meet the project production rate and mine life targets.
- Current estimates for the likely resource at Opaban within the top 150 – 200 metres are 300 – 350Mt at 50 to 60% Fe.
- Accordingly the company should focus strongly on resource growth within 50 km of the Opaban deposit with the objective of outlining the additional resources within a small number of satellite deposits.
- Management of the business should be “Peru-based” rather than conducted from Perth due to the time differences, logistics and need for strong on-site management.

(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.)

Accordingly, AF has initiated an international executive search process for its operational leadership role and a number of high calibre candidates have expressed interest in the role. It is anticipated an appointment will be made during the March quarter along with further strengthening of the management and technical team in Peru.

In addition a revised project exploration and study plan have been prepared and are being finalised for presentation to the AF board for formal approval, which is anticipated in the March quarter.

While the exploration and study programs for Opaban and the satellite concessions (including Colcabamba) are well understood and scoped in detail, the key uncertainty remains the timing of approvals for these programs, in particular the

community approvals. As noted previously, AF now has in place an experienced CR team and has established positive relations with the majority of the communities in the areas in which it is operating. While AF anticipates it will ultimately achieve approvals for its programs, the timing of the community approvals lies largely in the hands of the community authorities and the community General Assemblies. Accordingly, there is considerable uncertainty about the sequence and timing of community approvals going forward.

Experience in the resources industry in Peru has shown that incentives or other mechanisms aimed at accelerating approvals faster than the community is comfortable with are rarely successful and often prove counter-productive. Accordingly, AF intends to maintain its approach of fully resourcing its CR team and working cooperatively with communities to build trust and long term, sustainable relationships in order to facilitate current and future approvals.

As a consequence of this uncertainty the project schedule is driven by the timing of approvals, especially the approvals for the Opaban and satellite concession drilling programs. Therefore absolute timing of milestones is not practical at this time, however some guidance can be provided by referencing key project milestones to the achievement of community approvals for these key programs.

The environmental approvals for the Opaban drilling (EIS level), exploration drilling, resource estimates, metallurgical testwork and detailed Pre-feasibility Study are expected to take 17 – 20 months following community approvals at Opaban. The timing range is due to the amount of drilling required to define the target Resource of >500Mt, timing for EIS approvals and the amount of parallel scheduling which is practically achievable.

AF is working to improve the current plan for approvals however, this timing can be affected by a range of factors outside the control of AF including the Presidential elections scheduled in April 2011, the behaviour of other resource companies in the region, changes in community attitudes and dynamics, as well as seasonal (weather) and cultural factors. Industry benchmarks suggest that best practice is 3 – 4 months for approvals once formal engagement has commenced but depending on community attitudes, history, approaches used etc this can extend to 12 months or more in some cases.

The commencement of formal approvals negotiation process for Opaban will be determined by the local communities. As noted above, the resolution of the issues with an unrelated mining company and the Huancabamba community will be a factor as will the fact that February is “festival month”.

Based on this program and schedule, AF anticipates a budget in the order of US\$35 million will be spent on the Apurimac project over the next two to two and a half years (depending on the timing of approvals) to complete the detailed exploration and community programs and complete a detailed Pre-feasibility Study for the project. Further detail will be provided following formal review and approval of the program and budget by the AF board and on-going feedback from the communities.

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 located within 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, 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 Sommerville 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%)

Figure 3: Berau Coal Project Location



Joint Venture Negotiations

During the quarter Strike devoted considerable effort to negotiations to restructure the Berau Project co-operation agreement to address issues raised by Indonesia's 2009 Mining Law. Strike announced on 19 November 2010 that the position adopted by its partner raised uncertainty about whether negotiations would succeed, and that it was considering all options to secure its rights.

The parties have held two rounds of talks since that date, with the second round still underway as at the date of this report. While discussions have been open and constructive no settlement has been achieved as yet. Given the current strength of the thermal coal market and the advanced stage of the project the company is hopeful of a timely resolution to this matter and will keep shareholders informed of progress.


Strike remains committed to pursuing options for the joint development of this project or alternatives which would deliver value for its shareholders.

Project Development

During the quarter project development continued in preparation for any successful conclusion to joint venture discussions. It is a condition of the coal concession that project development work must proceed. Strike and their partner PTKJB continue to progress the project approvals and key technical and commercial areas until agreement is reached on the joint venture.

Review and analysis of tenders for the key capital and operating contracts were completed during the quarter. From this analysis preferred contractors have been identified for the mining and haul road construction contracts. The next step in this process is to commence detailed negotiations with the identified preferred suppliers. This will commence following resolution of the joint venture agreement.

Strike's partner, PTKJB, is responsible for all project approvals. Some progress was made on approval for the proposed alignment of the coal haul road from the mine site to the barge port on the Segah River, however the timing of formal approval remains uncertain at this time.



Formal acceptance of the tree species and quantities survey report by the Forestry Department remains pending but is expected to be received in line with the project development requirements.

Paulsens East Iron Ore Project – Pilbara, Western Australia (SRK Royalty)

Strike's interest in this project is subject to a farm-out agreement under which Process Minerals International Ltd (**PMI**) is responsible for iron ore exploration activities. PMI did not conduct any exploration on the tenements during the quarter and intends to conduct planning for future activities during the March 2011 quarter.

Finance

Cash position

Strike's total cash as at 31 December 2010 was approximately A\$40.7 million. During the December quarter Strike completed the sale of its investment in listed securities which resulted from a strategic review of asset holdings. As a result of these sales, Strike received cash consideration totalling \$3.2 million during the quarter.

Strike's cash holding included exposure to US\$644,317 held in at-call accounts at 31 December 2010. Strike 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 the 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

Apurimac Project – Peru (AF Concessions)

Concession Name	Area (Ha)	Province	National Chart Ref.	Code	Title	File Number
(23) Ferrum 36	1,000	Andahuaylas	Andahuaylas (29-P)	10553307	RP. 0176-2008-INGEMMET/PCD/PM Feb. 29, 2008	11075418
(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/PM 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/PM 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) Sillaccassa 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	Cuzco-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 31 December 2010)

Distribution of ordinary, fully-paid shares

Spread of Holdings	Number of Holders	Number of Units	% of Capital
1 - 1,000	517	256,780	0.197
1,001 - 5,000	1,386	4,364,370	3.356
5,001 - 10,000	528	4,316,771	3.320
10,001 - 100,000	765	24,025,034	18.476
100,000 - and over	91	97,071,313	74.651
Total	3,287	130,034,268	100%

Top 20 ordinary, fully-paid shareholders

Rank	Shareholder	Total Shares	% of Capital
1	HSBC Custody Nominees (Australia) Ltd	29,775,638	22.898
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	Alara Resources Ltd	3,573,889	2.748
7	National Nominees Ltd	3,493,062	2.686
8	J P Morgan Nominees Australia Ltd	2,831,223	2.177
9	J P Morgan Nominees Australia Ltd	2,302,690	1.771
10	Pater Investments Pty Ltd	1,125,000	0.865
11	Mr Gordon Anthony	800,000	0.615
12	Mr George Macfie	800,000	0.615
13	Citicorp Nominees Pty Ltd	748,709	0.576
14	Aliana Pty Ltd	700,000	0.538
15	Empire Holdings Pty Ltd	700,000	0.538
16	M&M Holdings Pty Ltd	606,000	0.466
17	Redhill Partners Pte Ltd	600,000	0.461
18	ABN Amro Clearing Sydney	525,602	0.404
19	Merrill Lynch (Australia)	496,595	0.382
20	Renmuir Holdings Limited	487,439	0.375
Total		83,185,499	63.969

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Strike Resources Limited and its controlled entities

ABN

94 088 488 724

Quarter ended

31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	Dec 2010	Dec 2010
	\$'000	(6 Months)
		\$'000
1.1 Receipts from product sales and related debtors	102	102
1.2 Payments for (a) administration	(231)	(1,325)
1.3 Dividends received	-	-
1.4 Interest and other costs of finance paid	-	-
1.5 Income taxes paid	(1)	(1)
1.6 Other	-	-
Net Operating Cash Flows (carried forward)	(130)	(1,224)

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 Dec 2010 \$'000	Year to date Dec 2010 \$'000
1.7 Net Operating Cash Flows (brought forward)	(130)	(1,224)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) Property, plant and equipment	(3)	(112)
1.9 Proceeds from sale of:		
(a) equity investments	3,203	3,203
(b) property, plant and equipment	19	19
1.10 Interest received	693	924
1.11 Loans to other entities*	(1,074)	(2,928)
1.12 Payments for exploration and evaluation	(404)	(641)
1.13 Loans repaid by other entities	-	-
1.14 Other	-	-
Net investing cash flows	2,434	465
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	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	2,304	(759)
1.21 Cash at beginning of quarter/year to date	38,398	41,445
1.22 Exchange rate adjustments to item 1.22	4	20
1.23 Cash at end of quarter	40,706	40,706

Note:

* Loans to "other entities" comprise 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 \$'000
1.24 Aggregate amount of payments to the parties included in item 1.2	(256)
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 director fees and superannuation payments to directors during the December 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	370
4.2 Development	-
4.3 Loans to associate*	4,660
4.4 Administration	850
Total	5,880

Note:

* Loans to associate comprise loans to Apurimac Ferrum S.A. pursuant to an executed Loan and Mortgage Agreement formalised by public deed dated 23 July 2009. Strike Resources Ltd holds its interest in the Apurimac and Cuzco iron ore projects locate in Peru 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	8,085	2,333
5.2	Deposits at call	32,621	36,065
5.3	Bank overdraft	-	-
5.4	Other	-	-
Total cash at end of quarter (item 1.23)		40,706	38,398

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	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 3) (cents)	Amount paid up per security (see note 3) (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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Stephen Gethin
Company Secretary

Date: 31 January 2011

Notes

- 1) 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 balance date.
- 2) 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.
- 3) 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.
- 4) The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.