



Quarterly Report – June 2011

For the 3 months to 30 June 2011

Company Overview

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

The Apurimac and Cusco 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 in Peru based on current JORC resources totalling 374Mt¹ and potential access to 106Mt² held by Cuervo Resources Inc in Cusco, all with significant exploration upside.

Strike holds 100% of the rights to mine a coal concession near Berau, Indonesia, subject to a royalty to the concession owner. Strike is in dispute with the concession owner and dispute resolution proceedings are likely.

June Quarter Highlights

- Secured the right to acquire up to 49% of Canadian-listed, Peruvian iron ore explorer Cuervo Resources Inc. through staged, convertible loans of up to CAN\$15 million. Key details include:
 - C\$5.25 million advanced for exploration at Cerro Ccopane (Cusco), where Cuervo has a 106.4Mt³ Resource with significant upside potential
 - Discretion for Strike to advance Cuervo a further C\$9.75 m if the phase 1 exploration results are satisfactory
 - Strike issued warrants which, if exercised, take it to 49.2% of Cuervo
- Chairman appointed and clear corporate objectives updated based on consolidation of strong portfolio of Peruvian iron ore projects
- Shareholding in Apurimac Ferrum S.A. (AF) increased from 44% to 56% through the strategic acquisition of minority shareholder interest
- Agreement with D&C Group to negotiate for purchase of their AF shares, potentially enabling Strike to move to 100% ownership of AF
- Initial resource estimate for Cusco released
- Drilling completed at Colcabamba with significant grade magnetite intersected in all holes, though at narrower than expected intervals
- High priority iron ore and base metal targets identified from regional review
- Significant progress made on approvals and community relations including:
 - Formal discussions for access commenced for Opaban I resource area
 - Access granted for further work at Santo Tomas concessions in Cusco project area
- Berau dispute resolution negotiations continue but with limited prospects of success
- Strong cash position retained with \$34 million in cash at quarter end

¹ Comprised of an Indicated Resource of 142.5Mt at 57.84% Fe and an Inferred Resource of 127.5Mt at 56.7% Fe at Apurimac, and an Inferred Resource of 104Mt at 32.62% Fe at Cusco.

² See the breakdown of this Resource into JORC Code categories and grades on page 3.

³ See footnote 2.

Corporate

Review of Corporate Direction and Strategy

Over the past year Strike's Board has been undertaking a review of the Company's business direction and corporate governance. As a result of this review several changes to the Board and operational structure have been made, with the aim of improving the effectiveness and accountability of the Company's operations. Previously the Company has informed the market of the following initiatives taken to effect these changes:

- Restructure of the Board to bring it in line with current leading practice in corporate governance. In February 2011 Strike announced that three Directors had stepped down to facilitate the Board restructure. At the same time the Company announced that it had commenced a search for a new Chairman and at least one additional independent, non-executive director.
- It was decided that management of the Peruvian projects was to be based in Peru. To facilitate this change Strike's joint venture company, Apurimac Ferrum S.A. ("AF") appointed Mr. Tom Kelly as Chief Executive Officer and Strike appointed Mr. Ian Cullen to head the exploration team in Peru.

During the June Quarter the Board has taken the following actions pursuant to this review:

- Appointment of Malcolm Richmond as Chairman. The search for an additional independent director, which was deferred pending the appointment of the Chairman, has now commenced.
- Reiteration and refinement of the Company's business direction based on:
 - consolidating the existing strong iron-ore portfolio in Peru
 - short term expansion of the high-quality resource base to trigger a detailed Pre-feasibility Study
 - the long-term objective of becoming the largest and most profitable iron ore producer in Peru
 - leveraging from our location in the world's largest copper producing belt.

The Board believes that these objectives, in combination with the Company's strong cash position, will allow management to implement programs and pursue opportunities which are value accretive to the shareholders over the short, medium and long term.

IAC Share Acquisition

In June, Strike entered into an agreement with Iron Associates Corporation ("IAC") to purchase IAC's 12% shareholding in Apurimac Ferrum ("AF"), the Peruvian company through which Strike holds its interest in the Apurimac and Cusco iron ore projects. As a result of this deal Strike's interest in AF and its iron ore projects has increased from 44% to 56%. The key terms of the share purchase agreement are set out below.

- Strike acquired 12% of AF's issued shares from IAC, taking Strike's interest from 44% to 56%.
- IAC has assigned to Strike a US\$ 5.245m loan owed by AF to IAC. This loan is convertible into AF shares in July 2012.
- Strike paid IAC US\$1.2m in cash and will issue IAC 9 million Strike shares.
- IAC's right to convert its AF shares into a royalty from AF projects, exercisable in certain circumstances, has been extinguished.

This deal forms part of Strike's strategic objective of consolidating the concession holdings within the Apurimac and Cusco regions with the aim of developing a robust iron-ore business.

D&C Exclusivity Agreement

Strike has entered into an agreement with D&C Group ("D&C") which provides Strike with a 90 day exclusivity period in which to negotiate the purchase of D&C's 44% shareholding in AF on similar terms to the IAC share acquisition. If negotiations with D&C are successful, Strike will own 100% of AF and the underlying Apurimac and Cusco projects. Alternatively, if the parties are unable to negotiate the terms of an agreement, D&C has 10 working days in which to exercise its right to purchase from Strike 50% of the shares which Strike purchased from IAC (as detailed above) in which case Strike will own 50% of AF.

Loan Agreement with Cuervo Resource Inc.

During July Strike entered into an agreement with Canadian-listed Peruvian explorer Cuervo Resources Inc. ("Cuervo") to potentially earn up to 49.2% in Cuervo in return for Strike loaning Cuervo up to \$15m Canadian ("C\$"). Cuervo is a junior iron ore explorer with concessions in Peru that are complementary to AF's concessions in the Apurimac and Cusco regions in southern Peru. Cuervo's main project area, Cerro Ccopane, is 65km south

of the city of Cusco and hosts four (4) zones of magnetite mineralisation being the Aurora, Orcopura, Huillque and Bob 1 prospects.

The loan funds are to be used by Cuervo to undertake advanced exploration activities on its Peruvian iron ore concessions. The first stage program of work to be undertaken has been agreed by both parties and is included in the terms of the financing agreement. The second stage exploration program is to be agreed, based on tight parameters in the financing agreement, if Strike advances the tranche 2 loan – explained further below.

The Cerro Ccopane project covers 14,000 ha (140 km²) of largely contiguous mineral concessions; with drilling at the three prospects identifying high-grade magnetite mineralisation. The Orcopura prospect currently hosts a JORC Code compliant mineral resource estimate of 106.4 million tonnes at 45.3% Fe (refer to *Table 1* below).

Table 1 – Cerro Ccopane Iron Ore Project: resource inventory

Prospect	Classification	Mt	Fe%	S%
Orcopura	Measured	19.7	48.3	2.4
Orcopura	Indicated	35.9	45.9	2.6
Orcopura	Sub-total (Measured and Indicated)	55.6	46.8	2.5
Orcopura	Inferred	50.8	43.7	3.1
Orcopura	Total	106.4	45.3	2.8

The mineral resources estimate has used a database of the assay results of sampled intervals from 121 diamond drill holes totalling 15,725 metres. The Orcopura mineralisation has been tested over a strike length of approximately 800 metres and remains open along strike and down dip in several areas.

Financing Arrangement

Key terms agreed by Strike and Cuervo are as follows:

- Strike to loan Cuervo up to C\$15m by way of zero coupon secured promissory notes in two tranches.
- The tranche 1 loan of C\$5.25m (“**Tranche 1 Loan**”) was advanced on 29 July 2011 and has a term of 3 years. Cuervo must spend the Tranche 1 Loan proceeds on a specified exploration program, including 7km of drilling at the Cerro Ccopane concessions (“**Phase 1 Exploration Plan**”).
- The tranche 2 loan of C\$9.75m (“**Tranche 2 Loan**”) may be advanced at Strike’s election. The due date for making the election approximately coincides with the completion date of the Phase 1 Exploration Plan. If made, this Loan will be in the form of a zero coupon secured promissory note with a term of 3 years from 28 July 2011. If advanced, Cuervo must spend the Tranche 2 Loan proceeds on an agreed exploration program.
- Security for the Loans is in the form of a mortgage over Cuervo’s Peruvian concessions and a pledge over 90% of the shares of Cuervo’s wholly-owned Peruvian subsidiary, which holds Cuervo’s Peruvian concessions.
- As interest consideration for the Loans Cuervo has granted Strike two warrants⁴ to purchase common shares in Cuervo. If both warrants are exercised Strike will own over 49% of Cuervo’s issued common shares on an undiluted basis (approximately 46% of Cuervo on a fully-diluted basis).
- The first warrant gives Strike the right to purchase 17,500,000 common shares in Cuervo (32.5% of Cuervo, undiluted) at an exercise price of C\$0.30 and has a term of 3 years, subject to adjustment in certain circumstances (“**Tranche 1 Warrant**”).
- The second warrant gives Strike the right to purchase up to 17,727,273 common shares in Cuervo (49.2% of Cuervo cumulative on the Tranche 1 Warrant, undiluted) at an exercise price of C\$0.55 and has a term of 3 years, also subject to adjustment (“**Tranche 2 Warrant**”). This Warrant will terminate if Strike elects not to advance the Tranche 2 Loan to Cuervo.
- The Warrants will be required to be exercised on the occurrence of any of the following events:
 - Cuervo’s shares trade for 20 consecutive days above C\$1.00, with a minimum 20 day trading volume of 1.5 million shares; or
 - Cuervo files a Canadian National Instrument 43-101 compliant mineral resource estimate of at least 700Mt of iron ore with a grade of 40% Fe or above.
- If the Loans are outstanding the Warrants may be exercised by offsetting the outstanding loan amount against the amount due on the exercise of the warrants.

⁴ A warrant is in all material respects identical to an option – giving the holder the right, but not the obligation, to buy shares at a specified price during a specified period.

- During the term of the Tranche 1 Loan, Strike has the right to nominate 2 directors to Cuervo's board and will have the right to nominate a further director if Strike advances the Tranche 2 Loan or exercises the Tranche 2 Warrant. Strike's Chairman, Prof. Malcolm Richmond and Managing Director, Mr. Ken Hellsten, have been appointed to Cuervo's Board.

The Cuervo transaction is consistent with the Company's stated objectives of building from its existing high quality assets to increase the iron ore resource base in the Apurimac and Cusco regions of Peru.

In particular, the Bob 1 target is considered highly prospective with outcropping massive magnetite associated with a very strong magnetic high which extends up to 10km in strike extent. Drilling of this prospect will commence once approvals are received and site access is established. This is expected to occur within the next 3 months.

Projects

Apurimac and Cusco Iron Ore Projects - Peru (SRK 56%)

Overview

During the quarter exploration activities on AF's concessions in Peru were focussed on the expansion of the resource base to the level required to support the development of a stand-alone iron ore operation producing at least 15Mtpa of product. Key activities undertaken include:

- Release of initial resource estimate for Santo Tomas concession (Cusco project area).
- Negotiations with Cuervo Resources Inc. resulted in an agreement between Strike and Cuervo in July, whereby Strike will loan funds to Cuervo to advance exploration work on its tenements. The loan may be converted into Cuervo shares at Strike's election. These shares would represent up to 49% of Cuervo.
- Review of the iron-ore, base and precious metal potential of the AF concessions.
- Completion of initial drill testing of iron ore targets at the Colcabamba concessions in the Apurimac project.
- Continued engagement with communities within the Apurimac and Cusco regions.

Initial Resource Estimate for Cusco (Santo Tomas) Project

During the June quarter Strike released the initial resource estimate for the Santo Tomas concessions located in the Cusco project area. This resource estimation was undertaken by SRK Consulting in conjunction with AF geologists and resulted in a JORC code compliant iron ore Inferred Resource of 104.4 million tonnes at an average grade of 32.6% Fe (refer *Table 2* below).

The data based used to calculate the iron mineral resources at Santa Tomas comprised of 168 diamond core and reverse circulation drill holes totalling 16,935 metres.

Table 2 – Santo Tomas Project: inferred resource estimate – 0% Fe cut off

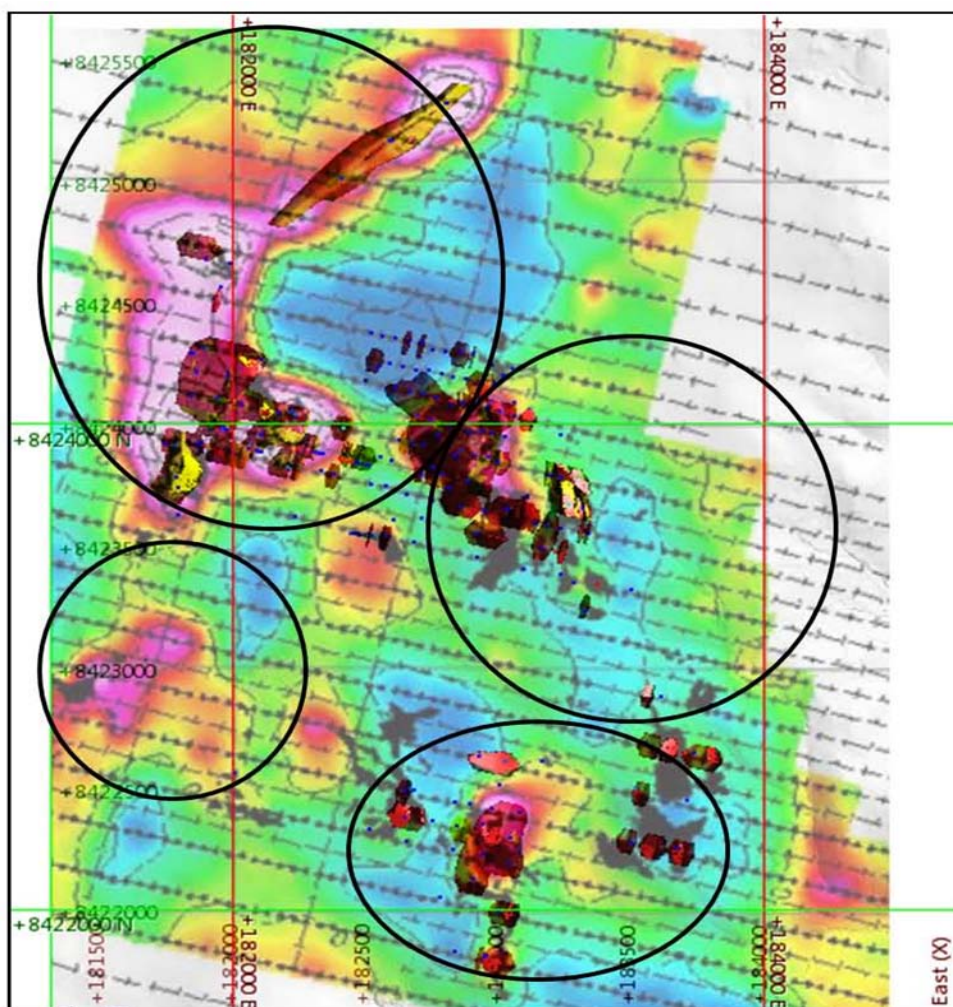
Tonnes (MT)	Fe (%)	S (%)	Al ₂ O ₃ (%)	LOI (%)	P (%)	SiO ₂ (%)
104.4	32.62	0.53	3.19	0.21	0.035	21.66

The style of the mineralisation is similar to that seen at Opaban being coarse grained and dominated by magnetite. Preliminary metallurgical tests indicate a concentrate grade of >65%Fe can be produced using conventional grinding and magnetic separation processes.

Higher grade haematite-rich zones have been identified in the logging in the upper portions of the deposits and further work is planned to fully delineate this material. Most of the resource zones remain open along strike and at depth and further drilling is planned in these areas during the current financial year.

In addition to the above Resource, the drilling campaign at Santo Tomas identified iron mineralisation which is not sufficiently well defined to be included in the initial Inferred Resource estimate due to the relatively broad spacing of some of drill holes. Further to this, a review undertaken on the Santo Tomas geophysical and geological data has also identified several areas with potential to increase the current iron ore Resource through additional drilling. These target areas are shown in *Figure 1* below and represent untested magnetic and gravity anomalies as well as extensions to the known mineralisation.

Figure 1 – Total magnetic field image showing mineralisation envelopes (inferred and potential) and target areas (circled) to be drilled.



Cuervo Resources Inc.

Strike recently entered into an agreement with Cuervo Resources Inc. which gives Strike the option to purchase up to 49% of Cuervo in return for Strike providing Cuervo with up to C\$15m in debt funding. Cuervo Resources Inc. (CNSX code: FE) is a Canadian mineral explorer listed on the Canadian National Stock Exchange (“CNSX”) and also trades on the Frankfurt Stock Exchange. Cuervo is active in exploration for iron ore in Perú, most particularly at its wholly-owned Cerro Ccopane project, 65 km south of Cusco in southern Perú (see *Figure 2*, on page 8) where it has delineated four zones of magnetite mineralisation. These zones host the prospects of Aurora, Orcopura, Huillque and Bob 1 (see *Figure 3* on page 9).

Cerro Ccopane Project (Cuervo)

The Cerro Ccopane property covers 14,000 ha (140 square kilometres) of largely contiguous mineral concessions. At Cerro Ccopane (*Figure 3*) drilling in 167 holes in three zones has identified high-grade magnetite mineralisation. No drilling has been undertaken at Bob 1 to date. The Orcopura Zone has a reported JORC-Code compliant mineral resource estimate of 106.4 million tonnes at 45.3% Fe details of which can be found in *Table 3*, over the page.

Table 3 – Cerro Ccopane Iron-Ore Project – resource inventory as at April 2009

Prospect	Classification	Mt	Fe%	S%
Orcopura	Measured	19.7	48.3	2.4
Orcopura	Indicated	35.9	45.9	2.6
Orcopura	Sub-total (Measured + Indicated)	55.6	46.8	2.5
Orcopura	Inferred	50.8	43.7	3.1
Orcopura	Total	106.4	45.3	2.8

The mineral resource estimate has used a database consisting of the assay results of sampled intervals from 121 diamond-drill holes totalling 15,725 metres. The Orcopura mineralisation has been tested over a strike length of approximately 800 metres and remains open along strike and down dip in several areas.

These Orcopura resources exhibit a clear geophysical expression with strong magnetic and gravity anomalies coincident with the iron-ore mineralisation.

In addition, limited initial drill testing of the magnetic anomalies at the Huillque and Aurora prospects has intersected broad zones of iron-ore mineralisation, however insufficient drilling has been undertaken to deliver a resource estimate at this time. Better results from drilling at these zones include:

Table 4 – Selected intercepts from Huillque and Aurora prospects

Hole ID	Interval (m)	Width (m)	True Width	Fe%	S%	P%	Prospect
HDH – 01	62.7 – 138.5	78.85	53	62.09	0.80	0.03	Huillque
HDH – 03	129.80 – 228.50	98.70	69	54.55	4.14	0.04	Huillque
HDH – 12	130.25 – 181.10	50.85	35	53.66	1.51	0.05	Huillque
HDH – 17	21.20 – 132.30	110.60	Not recorded	49.92	2.27	0.05	Huillque
ADH – 01	8.70 – 87.20	78.50	55	50.77	3.64	0.03	Aurora
ADH – 01	17.70 – 59.70	42.00	29	58.73	3.71	0.02	Aurora
ADH – 06	35.50 – 114.00	78.50	68	51.05	3.46	0.03	Aurora

Ground geophysical surveys (magnetic and gravity) have also identified two additional target zones on the property. These are known as Bob 1 and Huillque Norte (see *Figure 2*) both of which are considered high-priority drilling targets, with the following significant features:

- At Bob 1 coincident magnetic and gravity anomalies have been identified over 6 kilometres (km) of strike with strong indications of at least 10 km of strike potential. This compares with the Orcopura magnetic anomaly (1.5km) and the approximately 600 metre strike length of the current Resource. The strength and extent of the geophysical anomalies are very impressive and the presence of outcropping massive magnetite ironstones above the anomaly means this represents an exciting drilling target. Bob 1 will be the initial focus for the Stage 1 drilling program.
- Huillque Norte has a strong gravity anomaly with sporadic magnetic highs which lies immediately north of the Huillque mineralised zone. Further detailed surveying and mapping is required prior to drill testing. At this time Cuervo believes this area has potential for copper and gold mineralisation as well as iron ore but further work is required to define specific drilling targets.

Cuervo has also completed high-quality studies on the Cerro Ccopane project including metallurgical testwork, transport studies and concept-level project assessment. The results are consistent with the outcomes from similar work by AF on its Apurimac and Cusco concessions.

Mineral processing studies have shown that standard grinding and magnetic separation will produce a high-grade (i.e. 67% to 71% Fe) magnetite ore concentrate containing acceptable levels of impurities in the majority of samples. Iron recoveries to the concentrate are very high, with average mass recoveries of 75%, which is similar to that seen for AF's high-quality Opaban deposit. Similarly to AF's projects, there is evidence the coarse-grained nature of the mineralisation will enable good-quality concentrates to be delivered with grind sizes up to <1mm. Further work is planned to determine the best way to capitalise on this characteristic. Coarse grinding provides potential for significant operating and capital cost savings relative to iron-ore projects that require energy-intensive, fine grinding prior to beneficiation.

As the Orcopura iron ore contains sulphur and copper, typically present at concentrations of 2.5% S and 0.10% Cu, these must be removed to deliver an attractive product for the steel industry. In some concentrate samples

the copper and sulphur levels were higher than the target range, therefore sighter tests were undertaken to determine the best way to reduce these elements to acceptable levels. Initial tests indicate this can be achieved by further grinding and either magnetic or floatation separation. Additional studies carried out by Cuervo have also shown the resulting concentrates are amenable to the production of commercial-grade pellets.

Two transportation studies to date have shown that there are no unique logistical challenges that would prevent the conceptual development of a mining project. The construction of a direct slurry pipeline to tidewater was identified as the most cost-effective alternative for bulk transport.

Preliminary concept-level studies for a 20Mtpa operation have produced capital and operating cost estimates similar to those from AF's studies for Apurimac and indicate a robust business can be established based on 15 – 20 years' operational life.

Exploration Targets (Cuervo)

The Cerro Ccopane Iron-Ore Project overlies the contact zone between the Tertiary-age Apurimac Pluton and an older outlier of limestones belonging to the Arcurquina Formation of Cretaceous age. This geological setting is highly prospective for the discovery of additional iron skarn mineralisation along the geological contact as well as hydrothermal iron mineralisation within host intrusives.

Ground geophysical surveys (magnetic and gravity) have been successful in the targeting of the magnetite mineralisation. The three mineralised zones delineated by drilling to date at the Cerro Ccopane property all exhibit the same geophysical expression with strong magnetic and gravity highs. While caution must be used in interpreting gravity data in steep terrain such as seen in the Peruvian Andes, the mineralisation identified to date also has a strong magnetic signature (see *Figure 3*). Cuervo intends to continue to use both magnetic and gravity data to screen their concessions and identify drilling targets.

To date exploration and diamond drilling has been undertaken at the Aurora, Orcopura and Huillque prospects; however resource estimates have only been completed at the Orcopura Prospect. Successful drilling campaigns targeting the geophysical anomalies have been completed at the Aurora and Huillque prospects, where significant intervals of magnetite mineralisation have been intersected. The Aurora prospect is defined by a geophysical anomaly similar in size to the Orcopura Prospect. The magnetite mineralisation at Aurora and Huillque prospects remains open along strike and down dip. At both prospects there is good potential to extend the mineralisation targeting the untested portions of the geophysical anomalies. Further drilling is scheduled to improve the geological understanding of these prospects.

Of particular interest is the significant geophysical magnetic and gravity anomaly located in the northern portion of the property, which delineates the Bob 1 target zone. This geophysical anomaly is over 6 km long and remains open to the south (see *Figure 3*) with strong indications of at least 10 km of strike potential. Recent field work has mapped extensive magnetite outcrops at Bob 1 typical of the known zones of mineralisation at Orcopura, Huillque and Aurora.

In addition, regional appraisals based on satellite imagery and regional geology have highlighted several areas in the western half of the Cuervo concessions which warrant detailed exploration including geological mapping and ground geophysics.

Other Concessions (Cuervo)

In addition to the Cerro Ccopane property Cuervo holds several concessions within Northern and Southern Peru.

The Northern group of concessions have access to excellent infrastructure, being located close to the Pacific coast and the Pan-American Highway. They are also located at relatively low altitudes in arid areas which allows for year-round access. Small-scale mining operations have occurred on some of these concessions in the past. Iron mineralisation consists of massive magnetite, hematite or goethite. The most advanced of the Cuervo properties in northern Peru is the Chimbote concession group. These concessions are located approximately 40 km from the steel foundry of Siderperu located at Chimbote, Ancash.

Cuervo continues to carry out reconnaissance field activities to evaluate these concessions.

Further information on Cuervo can be found on its website at www.cuervoresources.com.

Figure 2 – Regional plan showing Cuervo (blue) and AF (red) concessions and major Cu/Au deposits.

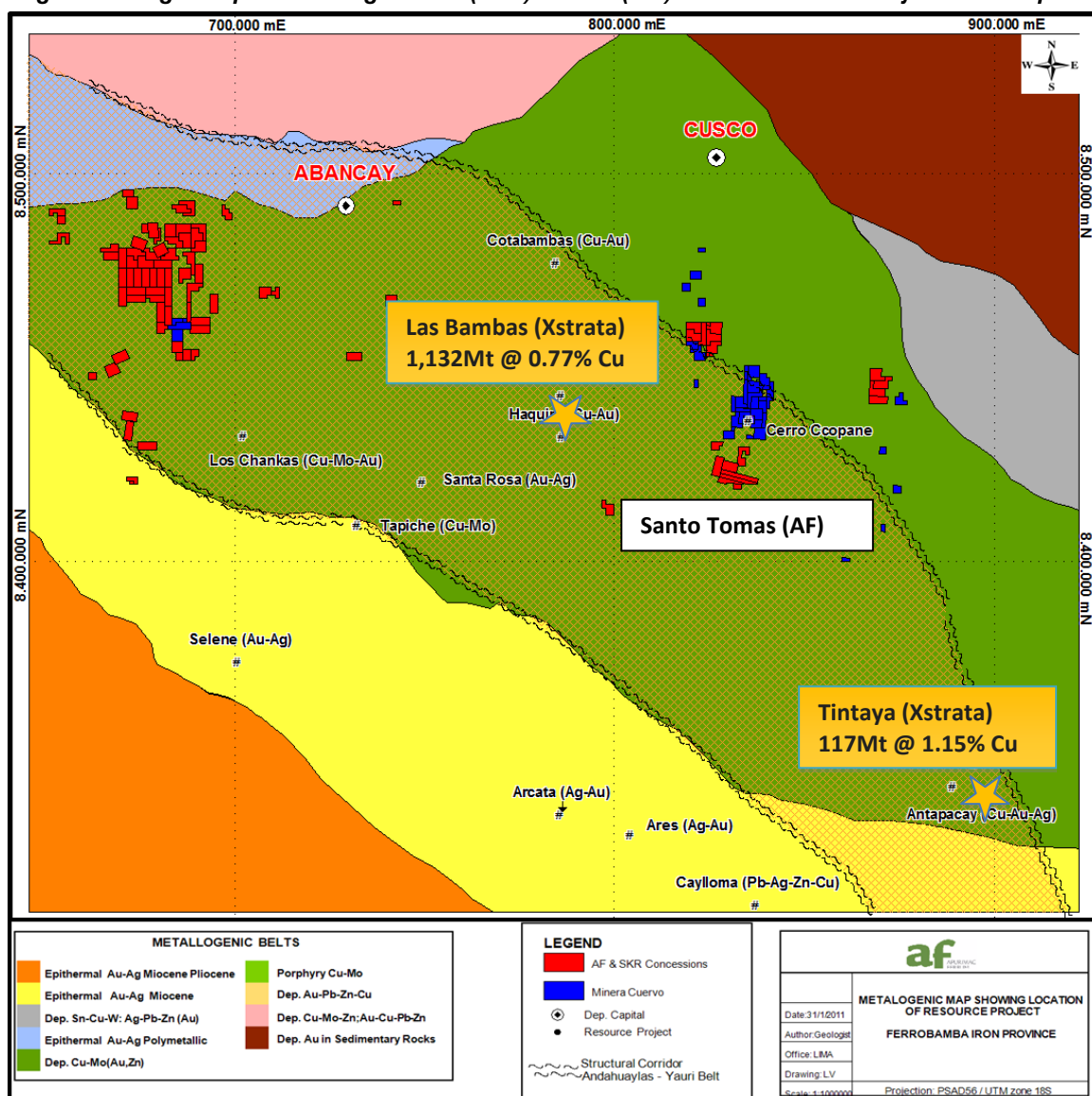
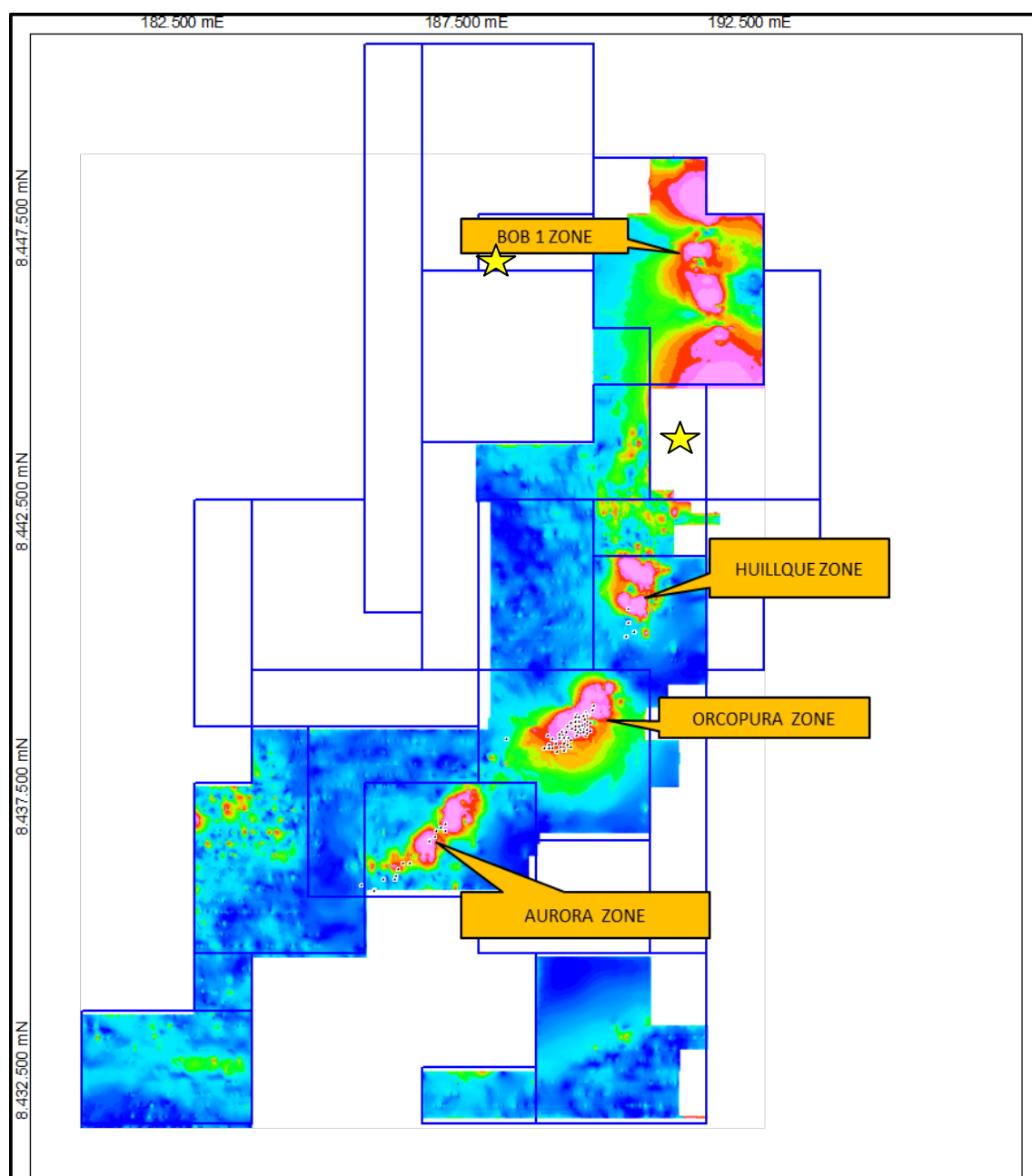


Figure 3 – Cuervo's Cerro Ccopane Project showing magnetic anomaly target zones and drill holes



★ Not included within Cuervo concessions.

Regional Assessment

A regional assessment of the potential for iron ore, base metals and precious metals across the Apurimac and Cusco Project areas was completed during the quarter. This program was aimed at establishing the key controls for iron ore and base metal mineralisation within the region as well as a review of the previous exploration data by AF and others. This work was designed to enable priorities to be established for exploration as well as specific target areas where more detailed work and drill testing is warranted.

Key findings include:

- The region contains several high grade magnetite deposits with Opaban being the largest and highest quality resource indentified to date. There is excellent potential to locate additional deposits in the 50 – 100Mt range, and potentially much larger but lower grade occurrences.
- The AF concessions lie within the Andahuaylas-Yauri copper-iron belt which hosts major copper deposits including Las Bambas and Tintaya as well as several major base and precious metal projects.

- The broad geological, alteration and geochemical signatures recognised within the AF concession areas are typical of Andean porphyry copper systems and iron skarn systems.

The review also highlighted several areas representing high priority exploration targets for both iron ore and base metals which warrant further detailed exploration and drill testing. The key targets areas identified to date are outlined below.

The Santo Tomas Prospect (SRK 56%)

The prospectivity of these concessions for iron ore has been well established for some time and a preliminary resource estimate has been undertaken as reported above. The drilling programs to date have tested 30 – 40% of the target area for iron ore and further drilling is planned over the next 6 – 12 months to test the remaining high priority target areas. The timing of this work will depend on receipt of approvals. Current indications are that field activities to define and prioritise drilling targets will be able to commence late in the September quarter with drilling likely to commence in early 2012.

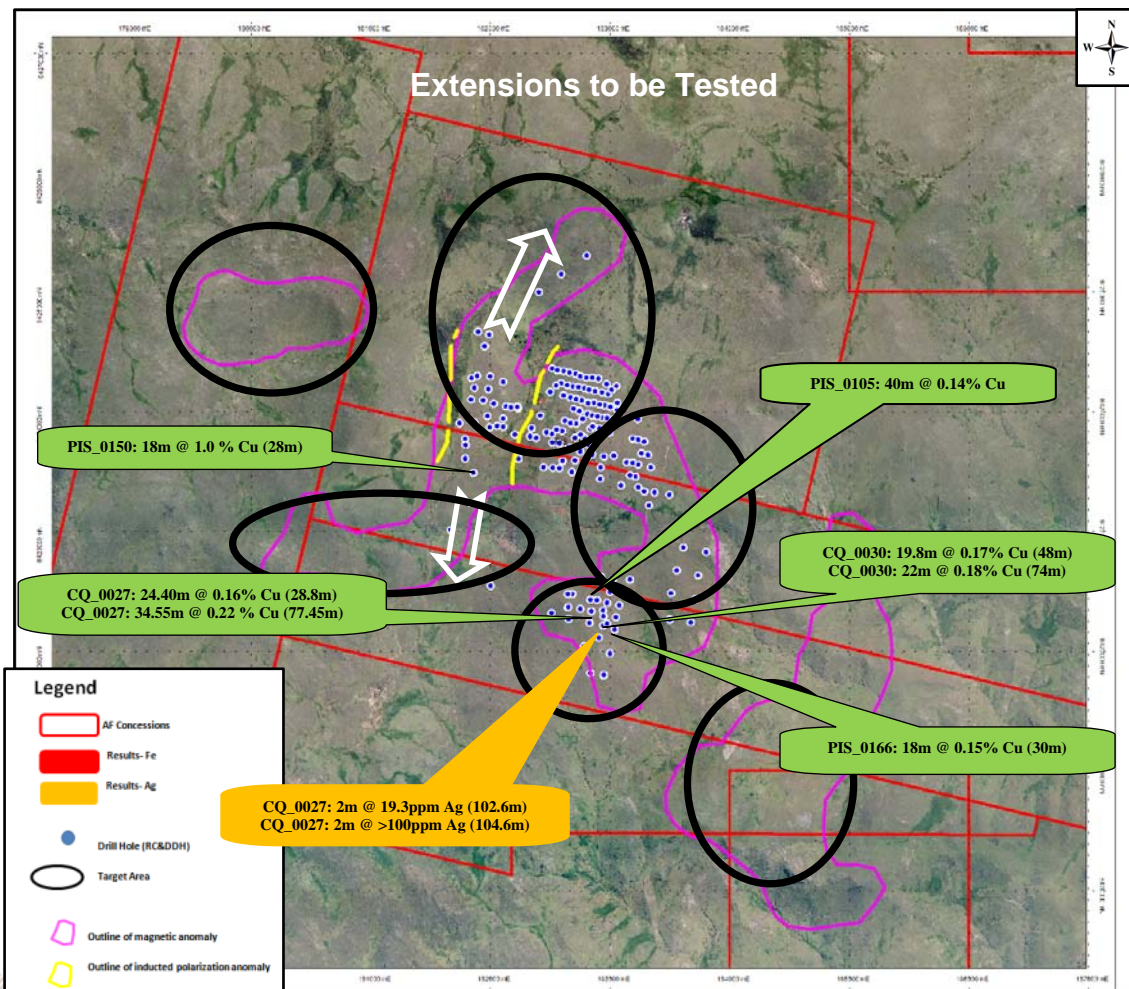
In addition the database review has highlighted significant intervals of elevated copper and silver from previous drilling completed during 2008 testing iron ore targets. These intersections include:

- CQ 0027: 77.45 – 112 metres (34.55m) at 0.22% Cu and 102.6 – 106.6 metres (4m) at 60 g/t Ag
- CQ 0031: 61.8 – 96 metres (34.2m) at 0.31% Cu
- CQ 0048: 32.7 – 42.7 metres (10m) at 72 g/t Ag
- PIS 0150: 28 – 46 metres (18m) at 1.0%Cu.

Accordingly the results from a reconnaissance ground IP survey completed on the Santo Tomas concession group in August 2006 were reassessed. Three regional lines were surveyed at 1km line spacing and station spacing of 500 metres. While the data is broad it identified a strong north south trending chargeability high coincident with the western ironstone outcrops. This anomaly remains open to the south and north.

IP is commonly used as the key exploration tool for copper mineralisation in South America as it can locate disseminated sulphide occurrences which typically occur as part of large porphyry copper systems.

Figure 4 – Santo Tomas summary plan with drill holes, magnetic (purple) and IP (yellow) anomalies



The initial drilling of this zone was targeted at testing the iron ore potential and hence the holes were relatively shallow (generally less than 100 metres total depth) and hence the source of the anomaly is unlikely to have been intersected by this drilling. Nevertheless PIS 0150, which lies on the southernmost line of the original survey, intersected 18m at 1.0% Cu from 28 metres and was completed at only 50 metres depth. No deep drilling has been undertaken south of this hole.

Figure 4 shows the locations of the IP anomaly and the elevated copper results. Significantly there is a cluster of high copper and silver values and old gold workings to the south of the existing IP survey.

AF is planning field checking of the target area and additional IP surveying of the concessions prior to drill testing of the best targets. Subject to approvals this reconnaissance and targeting work is expected to be undertaken over the next 3 – 4 months with drilling likely in early 2012.

While the results are early stage and significant follow-up is required the combination of location within a world class copper province, attractive geophysical signatures, prospective geology and wide spread strongly anomalous copper results with some potential economic grade copper and/or silver is considered most encouraging.

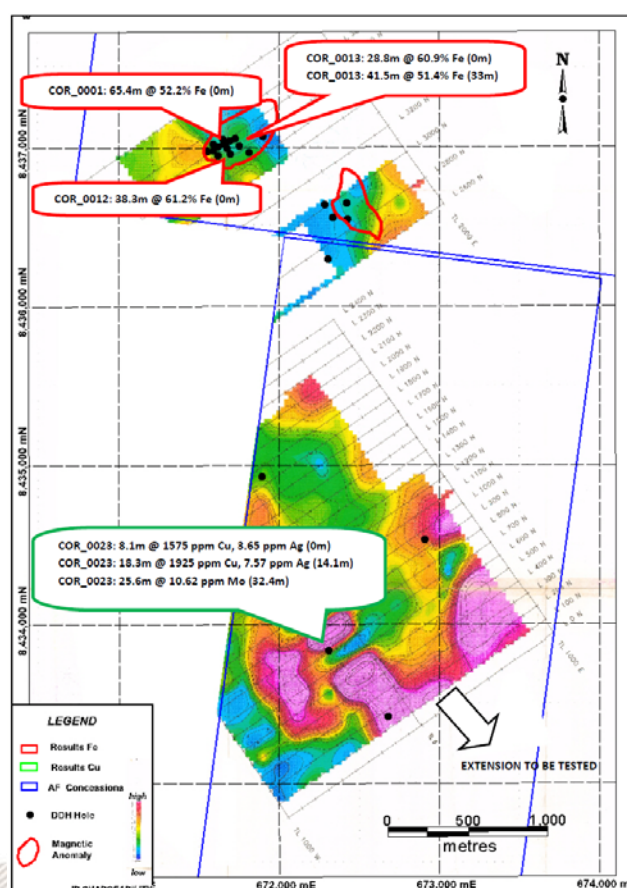
Coriminas Prospect (SRK 56%)

At the Coriminas concession group located approximately 50 km south of the Company's Opaban Project, a similar review of previous AF drilling results has also returned significant iron intersections in the northern portion of the concessions over a strike length of 500m. Significant intersections include:

- COR 0001: 0 – 65.4 metres (65.4m) at 52.2% Fe
- COR 0004: 0 – 33.5 metres (33.5m) at 56.5% Fe
- COR 0012: 0 – 38.3 metres (38.3m) at 61.2% Fe
- COR 0013: 0 – 28.8 metres (28.8m) at 60.9% Fe and 33.0 – 74.50 metres (41.5m) at 51.4% Fe.

The iron mineralisation consists of massive magnetite interpreted as an iron skarn and remains open at depth and along strike. Further field work is planned to determine if the potential of this area is at least 50 million tonnes of iron mineralisation with an average grade of at least 45%Fe, which is the minimum considered attractive as a satellite mine for a potential operation at either Apurimac or Cusco. If this potential is confirmed then further drilling will be undertaken to outline the extent of the mineralised system. Significant intersections and geophysical targets are shown in Figure 5 below. (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. It is uncertain whether further exploration will result in the determination of an additional mineral resource in relation to that target iron ore.)

Figure 5 - Coriminas Project summary plan showing drill holes and IP anomalies (purple)



This review also identified a large area in the southern portion of the concession containing anomalous copper and silver results in scout drilling. These results are complimented by elevated gold results (up to 4 g/t Au) from costean sampling in the same area and are coincident with a strong IP chargeability anomaly which remains open and is strengthening to the south east. Better results from the scout drilling include:

- COR 0023: 0 – 8.1metres (8.1m) at 0.16% Cu and 3.7g/t Ag
- COR 0023: 14.1 – 32.4 metres (18.3m) at 0.19%Cu and 7.6g/tAg.

Planned work at Coriminas includes extension of the IP survey to the south and east and field checking prior to drill testing of the IP anomaly and extension drilling at the iron ore target, if warranted following the assessment of the potential.

Regional Geological and Satellite Imagery

To assist with the regional analysis a broad regional study was completed using medium resolution Landsat and ASTER satellite imagery. This work was successful in outlining zones of hydrothermal alteration and iron oxide abundance associated with skarns, epithermal-style mineralization and/or volcanic centres in the area of intermediate volcanics and intrusives related to structural features.

This approach used interpreted structural and alteration mapping to outline a number of target areas of interest.

Following the success of this study, the Company is reviewing the use of airborne hyper-spectral surveying to delineate in detail the alteration zones and mineralogy of targeted areas.

Coupled with other geophysical, geochemical and geological data, the results and observations of this remote sensing study provided the following key findings:

- Target areas are controlled by NW-trending structures
- Circular features are interpreted within NE-trending corridors, which may represent intrusive bodies intruding zones of structural weakness
- Iron oxide abundance derived from ASTER and Landsat imaging tend to follow NE-trending structures and as occur in proximity to interpreted circular features.

Future work planned to commence during the September quarter will include:

- Ground checking of target areas by geological mapping and surface sampling
- Acquiring geochemical and geophysical data over interpreted alteration anomalies and,
- Acquiring high-resolution topographic data (DTM) to assist in the interpretation of geomorphological surface features
- Examining the suitability and acquisition of hyper-spectral airborne data over target areas to assist in defining in detail alteration and mineralogy of target areas.

Also in support of the regional appraisal, a review of the current AF geophysical database was undertaken. The work consisted of a re-interpretation of the GPR helicopter magnetic survey which was completed in 2008 over portion of the Apurimac concessions and an evaluation of the ground magnetic and IP surveys on prospects in both the Apurimac and Cusco regions.

The review made a number of recommendations which include:

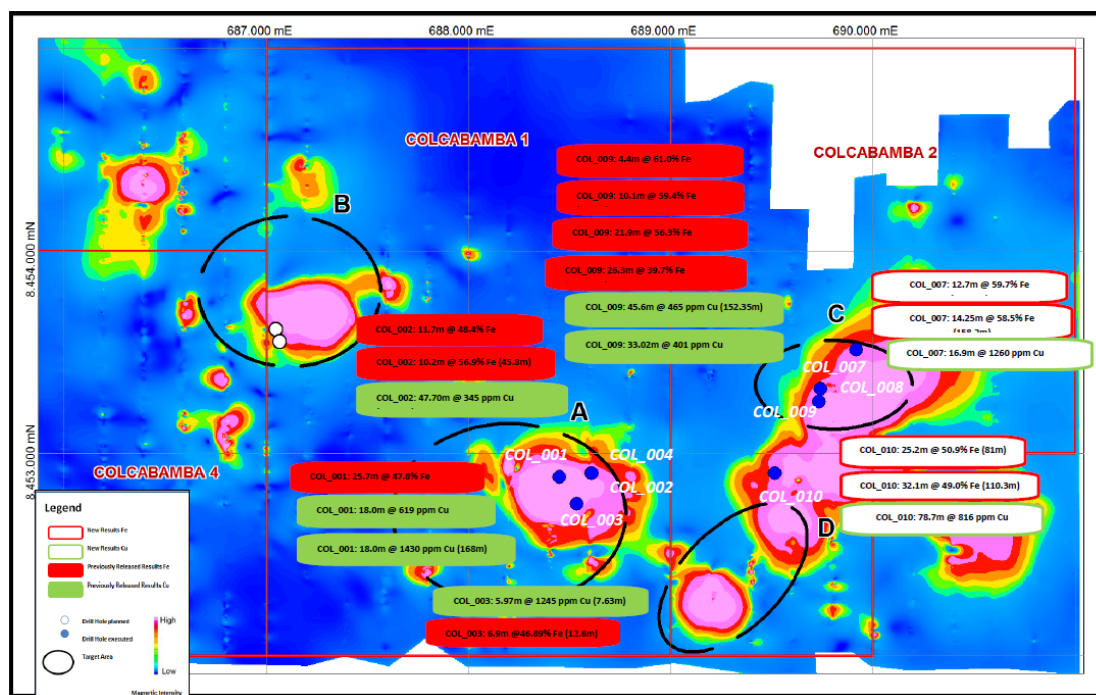
- Completing additional high resolution ground magnetic surveys at Santo Tomas and Coriminas to assist in defining extensions of existing mineralisation and to define drill targets
- Ground magnetics over target areas defined by the remote sensing work
- IP surveys at the Coriminas, Santo Tomas and Colcabamba prospects to close off the existing IP anomalies and to generate drill targets for porphyry copper mineralisation.

These activities have been included in the work program and budget for the 2011/12 financial year.

Apurimac Iron Ore – Satellite Exploration Program, Colcabamba Drilling

The diamond drilling programme at Colcabamba was completed during the quarter. This programme was comprised of eight (8) diamond drill holes for a total of 2,336.35 metres. Assay results have been received for 7 of the 8 holes drilled with the results from the final drillhole, COL 004, expected shortly. A plan showing magnetic anomalies and drill hole locations at Colcabamba is shown in *Figure 6*, over the page.

Figure 6 - Colcabamba summary plan with magnetic anomalies and drill hole locations



The following is a summary of the key iron mineralisation intercepts received during the June quarter:

Table 5 – Colcabamba key iron mineralisation intercepts

Drill hole	From (m)	To (m)	Interval (m)	Fe (%)	Al ₂ O ₃ (%)	SiO ₂ (%)	S (%)	P (%)
COL-007	125.60	134.60	9.00	48.7	1.90	10.48	5.49	0.035
COL-007	139.60	152.30	12.70	59.7	0.82	4.99	6.18	0.024
COL-007	158.20	172.45	14.25	58.5	0.86	6.27	4.98	0.012
COL-010	81.00	106.20	25.20	50.9	2.03	12.64	6.22	0.022
COL-010	110.30	142.40	32.10	49.0	1.45	8.33	6.36	0.021

The results from COL 007 and 010 are considered the most encouraging to-date with composite widths down hole being broader than that seen in the previous drill holes and the zones of internal dilution (lower grade material) between the higher grade mineralisation also narrower. In COL 007 three zones with a total combined thickness of 36 metres and average grade of 56%Fe were intersected with two zones of lower grade material of less than 5 metres. Assays are not available for the lower grade zones as yet but using a conservative grade of 20% Fe the overall zone would be 46.9m at 48%Fe. Likewise COL 010 intersected a composite iron ore interval of 57m at 49%Fe or overall 61.4m at 47.8%Fe.

Additional data analysis is necessary to determine if further work is warranted in Area C which is the largest target area tested by COL 007 and 010. No further drilling for iron ore is required at Area A or Area B due to their limited size and relative narrow zones of mineralisation.

An appraisal of the base metal potential of Colcabamba will be undertaken as part of the regional review. Initial work indicates that Area C may warrant further testing with IP with results to date of:

- 16.9 metres at 1260 ppm Cu, 0.024 ppm Au and 1.02 ppm Ag from 80.2 metres in hole COL-007
- 78.7 metres at 816 ppm Cu, 0.01 ppm Au and 1.01 ppm Ag from 80.55 metres in hole COL-010.

Peruvian Presidential Election

The presidential elections for Peru were completed during the quarter with Ollanta Humala winning the second round against Keiko Fujimori. Mr Humala formally took office on 28 July but had been providing progressive updates on his planned programs and key cabinet appointments prior to that date.

While Mr Humala has been previously regarded as left wing, most experienced political observers now see him as centre left and this has been borne out to date through his open support for the current macro-economic settings which have led to Peru being the best performing economy in Central and South America over the past

decade. He has recently re-appointed the head of the central bank for a further 5 year term and announced that Kurt Burneo, an experienced and well-respected economist, will be Finance Minister.

Mr Humala has announced his main social programs will focus on the reduction of poverty and intends to fund much of this through the implementation of a mining tax. Current indications are this will be profit based and the overall tax regime in Peru will remain competitive with its South American neighbours.

Accordingly, the Board maintains the view that the medium- and long-term outlook for Peru is strong and it represents an attractive jurisdiction for both exploration and operations in the resources industry.

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.

The political climate in Peru associated with the lead up to the Presidential Elections continued to add complexity to AF's activities in the local communities. Since the election of Humala as President the communities have tended to refocus on local issues and the level of engagement has increased with the AF community relations team now holding discussions with numerous communities regarding access to land for reconnaissance exploration and drilling.

Relationships at Colcabamba continue to be positive with the AF Community Relations Team continuing with implementation of a number of development projects which have been jointly determined with the community. Progress during the quarter at Colcabamba includes:

- Implementation of knitting workshops for women to assist them to develop this into an economic activity.
- Completion of a visual health campaign with the support of the "Monseñor Enrique Pelach" Eyecare Centre, a part of the Abancay Bishopric. Over a hundred people from the Colcabamba community attended the visual health campaign, with several being sent on to Abancay for more specialised treatment.
- Assistance with the development of the Colcabamba Community Development Plan.

AF continues to use the Colcabamba Community projects 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.

AF expects to have access initial reconnaissance geological and geophysical programs at up to 15 concession areas involving 11 separate communities during the September quarter. Geological teams and contractors have been established to enable the commencement of these exploration programs shortly after approvals are received and results are expected to flow by late in the quarter.

Formal discussions have commenced regarding exploration and drilling approvals for the Opaban deposits with two communities. These discussions are expected to proceed over the coming months with the aim of commencing drilling during the first half of 2012. Following community access approvals AF will undertake environmental studies for the formal environmental approval from the central government and local community which is expected to take in the order of 6 months.

Millenium Dispute

As announced on 24 March 2011, Millenium Trading SAC, a former holder of options over certain AF concessions, commenced court proceedings claiming that the options were not validly terminated. AF is vigorously defending the proceedings and has legal advice that its defence ought to be successful.

AF maintains that arbitration is the proper forum to resolve this dispute. As announced on 8 October 2010, AF commenced arbitration to resolve the dispute before Millenium filed court proceedings. Presently the court and arbitration proceedings are continuing in parallel. There have been no material developments in either proceeding. Ultimately, however, it is likely that only one set of dispute resolution proceedings will be permitted to continue.

JORC Code Competent Person Statements

Apurimac Resource

Of the JORC Indicated Resource of 142.5Mt at the Apurimac Project at 57.84% Fe, 133.7Mt at 57.57% Fe is on the Opaban 1 concession and 8.8Mt at 62.08% Fe is on the Opaban 3 concession. The entire Inferred Resource of 127.5Mt at 56.7% Fe 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 was, at the time he did the relevant work, the Managing Director of Strike Resources Limited (having since retired from the Company). Mr Madan was responsible for data collection and data quality in respect of the Opaban 1

concession and Mr Sommerville was 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. 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.

Cusco Resource

The information in this document which relates to Mineral Resources has been compiled by Mr George Even, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is an employee of SRK Consulting (Chile) S.A. Mr Even has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Even consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Exploration Results

The information in this document which relates to exploration results at Colcabamba and other AF concessions has been compiled by Mr Ian Cullen, B.Sc. (Geology), who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of Strike Resources Limited. Mr Cullen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Cullen consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Cerro Ccopane Resource (Cuervo Resources Inc.)

The information in this document which relates to mineral resources and exploration results at Cuervo Resources' Cerro Ccopane iron-ore project in the Cusco district, Peru, has been compiled by Mr Sam J Shoemaker, B. Sc., who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of Micon International Limited. Mr Shoemaker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Shoemaker consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Berau Thermal Coal Project – Indonesia⁵

During the Quarter Strike continued negotiations to restructure the Berau Project co-operation agreement to address issues raised by Indonesia's 2009 Mining Law. As previously announced, the position adopted by the Company's partner has raised uncertainty about whether negotiations will succeed and dispute resolution proceedings are now likely.

Paulsens East Iron Ore Project – Pilbara, Western Australia⁶

Strike has farmed out the iron ore rights in this project to Process Minerals International ("PMI"), a subsidiary of ASX-listed Mineral Resources Limited.

PMI is well advanced in discussions with the Traditional Owners regarding approvals for the planned drilling program which is designed to extend and better define the current assessment of iron ore on the tenements and provide geotechnical data for mining studies. The commencement of this program is contingent on approvals from the Traditional Owners and SEWPAC and is therefore unlikely before the December quarter.

Discussions with service providers and infrastructure owners are continuing in parallel with the exploration program.

Finance

Cash position

Strike's total cash holding on 30 June 2011 was approximately A\$34 million.

⁵ Strike's rights in this project consist of 100% of the rights to mine the coal concession, subject to payment of a royalty to the concession owner.

⁶ Strike's interest in this project is a royalty on any iron ore mined by the farm-out partner, PMI.

Mineral Tenements

Apurimac Ferrum S.A. Concessions

(Strike Resources has a 56% interest⁷ in AF's concessions at Apurimac and Cusco, through its 56% interest in AF.)

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/PM Sept. 07, 2007	11073793
(22) Ferrum 27	1,000	Andahuaylas	Andahuaylas (28-P)	01-02629-07	No. 000581-2007- INGEMMET/PCD/PM Sept. 05, 2007	11073799
(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/PCM Mar. 07, 2008	11075423
(26) Ferrum 29	1,000	Andahuaylas	Andahuaylas (29-P)	10507507	RP0365-2008- INGEMMET/PCD/PM Mar. 07, 2008	11075419

⁷ D&C Group SAC and associated parties ("D&C"), Strike's 44% JV partner in AF, have the right to purchase 6% of AF from Strike if Strike and D&C do not reach an agreement for Strike to purchase D&C's interest in AF on or before 25 September 2011. If D&C exercises that right both Strike and D&C will hold 50% of AF.

Apurimac Project – Peru (AF Concessions)

Concession Name	Area (Ha)	Province	National Chart Ref.	Code	Title	File Number
(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/PCM 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	RP 2206-2008-INGEMMET/PCD/PM Jun. 27, 2008	11077127
(37) Ferrum 59	1,000	Andahuaylas	Andahuaylas (29-P)	10133808	RP 2272-2008-INGEMMET/PCD/PM Jun. 27, 2008	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

Cusco 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

Cusco Project – Peru (AF Concessions)

Concession Name	Area (Ha)	Province	National Chart Ref.	Code	Title	File Number
(8) Ferrum 17	500	Chumbivilcas	Livitaca (29S)	10026607	RP. 1815-2007-INGEMMET/PCD/PM Oct. 30, 2007	11073794
(9) Ferrum 18	800	Chumbivilcas /Cotabambas	Santo Tomas (29R)	10026707	RP 1761-2008-INGEMMET/PCD/PM May 29, 2008	11076514

Strike Resources Limited Concessions

(The concessions at Apurimac and Cusco 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/PM May 12, 2008	11064280
(2) Ferrum 39	1,000	Andahuaylas	Andahuaylas (29-P)	10047605	RP 1573-2008-INGEMMET/PCD/PM May 29, 2008	11064281
(3) Ferrum 40	1,000	Andahuaylas	Andahuaylas (29-P)	10623507	RP 2905-2008-INGEMMET/PCD/PM Aug. 19, 2008	11076528
(4) Ferrum 41	1,000	Andahuaylas	Andahuaylas (29-P)	10131408	RP 1965-2008-INGEMMET/PCD/PM Jun. 19, 2008	11076755
(5) Ferrum 42	1,000	Andahuaylas	Andahuaylas (29-P)	10131508	RP 1975-2008-INGEMMET/PCD/PM Jun. 19, 2008	11077114
(6) Ferrum 43	1,000	Andahuaylas	Andahuaylas (29-P)	10131608	RP 3243-2008-INGEMMET/PCD/PM Sept. 9, 2008	11077113
(7) Ferrum 44	1,000	Andahuaylas	Andahuaylas (29-P)	10131908	RP 1934-2008-INGEMMET/PCD/PM Jun. 19, 2008	11077115
(8) Ferrum 45	1,000	Andahuaylas	Andahuaylas (29-P)	10132008	RP 2283-2008-INGEMMET/PCD/PM Jun. 27, 2008	11077116
(9) Ferrum 46	1,000	Andahuaylas	Andahuaylas (29-P)	10132108	RP 2523-2008-INGEMMET/PCD/PM Aug. 08, 2008	11079784
(10) Ferrum 47	1,000	Andahuaylas	Andahuaylas (29-P)	10132208	RP 1908-2008-INGEMMET/PCD/PM Jun. 18, 2008	11077117
(11) Ferrum 48	1,000	Andahuaylas	Andahuaylas (29-P)	10132308	RP 1756-2008-INGEMMET/PCD/PM May 29, 2008	11076584
(12) Ferrum 49	1,000	Andahuaylas	Andahuaylas (29-P)	10132408	RP 2000-2008-INGEMMET/PCD/PM Jun. 19, 2008	11077118
(13) Ferrum 50	900	Andahuaylas	Andahuaylas (29-P)	10132508	RP 1922-2008-INGEMMET/PCD/PM Jun. 19, 2008	11077120
(14) Ferrum 51	1,000	Andahuaylas	Andahuaylas (29-P)	10132608	RP 1893-2008-INGEMMET/PCD/PM Jun. 18, 2008	11077121
(15) Ferrum 52	1,000	Andahuaylas	Andahuaylas (29-P)	10132708	RP 2803-2008-INGEMMET/PCD/PM Aug. 18, 2008	11079786
(16) Ferrum 53	1,000	Andahuaylas	Andahuaylas (29-P)	10132808	RP 2550-2008-INGEMMET/PCD/PM Aug. 08, 2008	11079787
(17) Ferrum 54	700	Andahuaylas	Andahuaylas (29-P)	10132908	RP 2899-2008-INGEMMET/PCD/PM Aug. 19, 2008	11079788

Apurimac Project – Peru (Strike Concessions)

Concession Name	Area (Ha)	Province	National Chart Ref.	Code	Title	File Number
(18) Ferrum 55	800	Andahuaylas	Andahuaylas (29-P)	10133408	RP 2951-2008-INGEMMET/PCD/PM Aug. 19, 2008	11079789
(19) Ferrum 60	200	Abancay	Abancay (28Q)	10073208	RP 2986-2008-INGEMMET/PCD/PM Aug. 19, 2008	11084879
(20) Ferrum 62	900	Abancay	Abancay (28Q)	10073408	RP 3177-2008-INGEMMET/PCD/PM Sept. 8, 2008	TBA
(21) Ferrum 63	300	Grau	Abancay (28Q)	10073008	RP 3040-2008-INGEMMET/PCD/PM Aug. 28, 2008	11076586
(22) Pichirhua 1	800	Abancay	Andahuaylas (29-P)	10151708	RP 2638-2008-INGEMMET/PCD/PM Aug. 11, 2008	11079794
(23) Pichirhua 2	400	Abancay	Andahuaylas (29-P)	10151808	RP 3183-2008-INGEMMET/PCD/PM Sept. 8, 2008	11081445
(24) Colcabamba 1	600	Aymaraes	Andahuaylas (29-P)	10212308	RP 2986-2008-INGEMMET/PCD/PM Aug. 19, 2008	11079780
(25) Colcabamba 2	500	Aymaraes	Andahuaylas (29-P)	10212408	RP 3177-2008-INGEMMET/PCD/PM Sept. 8, 2008	11081451
(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 Jul. 24, 2000	11034702
(30) Cristoforo 28*	500	Aymaraes	Chalhuanca (29-P)	01-00152-05	No. 01824-2005 INACC/J May 4, 2005	11064280
(31) Ferroso 29*	400	Andahuaylas	Andahuaylas (29-P)	01-00473-05	No. 01709-2005 RPM Apr. 21, 2004	11064281
(32) Helimag 1	900	Andahuaylas	TBA	01-00152-05	No. 000741-2010 INGEMMET/PCD/PM 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.

Cusco 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	Cusco(28S)	10409608	RP 5050-2008-INGEMMET/PCD/PM Nov. 19, 2008	11084874
(3) Ferrum 74	1,000	Paruro	Cusco(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

Cusco Project – Peru (Strike Concessions)

Concession Name	Area (Ha)	Province	National Chart Ref.	Code	Title	File Number
(7) Ferrum 65	1,000	Paruro	TBA	10580008	RP 0337-2009-INGEMMET/PCD/PM Feb. 19, 2009	TBA
(8) Ferrum 66	100	Paruro	TBA	10580208	RP 1613-2009-INGEMMET/PCD/PM 4 Jun. 2009	TBA
(9) Ferrum 67	100	Chumbivilcas	TBA	10579908	R.P. 5849-2008-INGEMMET/PCD/PM 17 Dec. 2008	TBA
(10) Ferrum 68	1,000	Acomayo	Cusco-28-S Livitaca-29-S	10579808	RP 1185-2009-INGEMMET/PCD/PM Mar. 31 2009	TBA
(11) Ferrum 69	1,000	Acomayo	TBA	10579608	R.P. 1633-2009-INGEMMET/PCD/PM 4 Jun. 2009	TBA
(12) Ferrum 70	1,000	Acomayo	Livitaca-29-S	10579608	R.P. 1848-2009-INGEMMET/PCD/PM 11 Jun. 2009	TBA
(13) Ferrum 71	1,000	Acomayo	Livitaca-29-S	10579508	RP 1120-2009-INGEMMET/PCD/PM Mar. 31, 2009	TBA
(14) Colcabamba 4	400	Acomayo	TBA	10580108	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 June 2011)

Distribution of ordinary, fully-paid shares

Spread of Holdings	Number of Holders	Number of Units	% of Capital
1 - 1,000	492	238,636	0.179
1,001 - 5,000	1,249	3,938,697	2.950
5,001 - 10,000	474	3,871,614	2.899
10,001 - 100,000	679	21,296,256	15.948
100,000 - and over	96	104,189,065	78.024
Total	2,990	133,534,268	100%

Top 20 ordinary, fully-paid shareholders

Rank	Shareholder	Total Shares	% of Capital
1	HSBC Custody Nominees (Australia) Ltd	25,937,527	19.424
2	Orion Equities Limited	16,690,802	12.499
3	Database Systems Ltd	9,377,090	7.022
4	National Nominees Ltd	8,773,203	6.570
5	Ferrous Resources Ltd	6,370,000	4.770
6	J P Morgan Nominees Australia Ltd	5,116,735	3.832
7	Nefco Nominees Pty Ltd	4,331,760	3.244
8	Alara Resources Limited	3,573,889	2.676
9	Citicorp Nominees Pty Ltd	3,162,908	2.369
10	Pater Investments Pty Ltd	1,125,000	0.842
11	Mr Gordon Anthony	800,000	0.599
12	Mr George Macfie	800,000	0.599
13	Aliana Pty Ltd	700,000	0.524
14	Empire Holdings Pty Ltd	700,000	0.524
15	M&M Holdings Pty Ltd	606,000	0.454
16	Renmuir Holdings Limited	487,439	0.365
17	Mr Matthew Norman Bull	448,000	0.335
18	Mr Nicholas Kenos & Mrs Pauline Kenos	400,000	0.300
19	Mr Andrew Craig Leeson	363,000	0.272
20	Katana Asset Management Ltd	355,000	0.266
Total		90,118,353	67.486

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Strike Resources Limited and its controlled entities

ABN

94 088 488 724

Quarter ended

30 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter June 2011 \$'000	Year to date June 2011 (12 Months) \$'000
1.1 Receipts from product sales and related debtors	12	110
1.2 Payments for (a) administration	(996)	(3,275)
1.3 Dividends received	-	-
1.4 Interest and other costs of finance paid	-	-
1.5 Income taxes paid	-	(1)
1.6 Other	-	-
Net Operating Cash Flows (carried forward)	(984)	(3,166)

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, a wholly-owned subsidiary;
- (2) PT Indo Batubara, a company registered in Indonesia of which SOPL is the 100% beneficial owner;
- (3) Strike Indo Operations Pty Ltd ACN 124 702 245 , a wholly-owned subsidiary;
- (4) PT Orion Indo Mining, 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 , a wholly-owned subsidiary;
- (7) Strike Resources Peru SAC, a wholly-owned subsidiary incorporated in Peru; and
- (8) Ferrum Holdings Limited, a wholly-owned subsidiary company incorporated in British Anguilla.

	Current quarter Jun 2011 \$'000	Year to date Jun 2011 (12 Months) \$'000
1.7 Net Operating Cash Flows (brought forward)	(984)	(3,166)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) Property, plant and equipment	(2)	(115)
1.9 Proceeds from sale of:		
(a) equity investments	-	3,203
(b) property, plant and equipment	-	23
1.10 Interest received	685	1,956
1.11 Loans to other entities*	(3,348)	(8,116)
1.12 Payments for exploration and evaluation	75	(698)
1.13 Loans repaid by other entities	-	-
1.14 Investment in associate	(1,149)	(1,149)
1.15 Other	-	-
Net investing cash flows	(3,739)	(4,896)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	786
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	-	786
Net increase (decrease) in cash held	(4,723)	(7,276)
1.21 Cash at beginning of quarter/year to date	38,912	41,445
1.22 Exchange rate adjustments to item 1.22	3	23
1.23 Cash at end of quarter	34,192	34,192

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 56% 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	(121)
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.	

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	-
4.2 Development	-
4.3 Loans to associate*	3,500
4.4 Administration	790
Total	4,090

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 located 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	1,667	2,305
5.2	Term Deposits	32,525	36,609
5.3	Bank overdraft	-	-
5.4	Other	-	-
Total cash at end of quarter (item 1.23)		34,192	38,914

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	On 30 June ² Strike increased its interest in the AF concessions (listed at pp16 -18, above) from 44% to 56%. See the text on p2 under the heading "IAC Share Acquisition".	44%	56%


² Lima, Peru time, being 1 July Perth time.

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	133,534,268	133,534,268		
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>
	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: 29 July 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 1026: Statement of Cash Flows apply to this report.