



STRIKE RESOURCES HIGH-QUALITY IRON ORE IN PERU

ASX CODE: SRK

March 2012





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STRIKE RESOURCES

Australian-listed Resources Company

- **Large-scale iron ore** projects in Apurimac and Cusco regions of southern Perú
- Seeking to establish **15-20 Mtpa** business
- Apurimac Project in **pre-feasibility study** stage
- Current iron ore mineral **resources totalling 374Mt***
- Potential **access to resources of 179Mt*** held by Cuervo Resources
- Substantial exploration upside for **iron and copper/gold**
- **~US\$26M in cash** plus ~US\$36M in secured loans

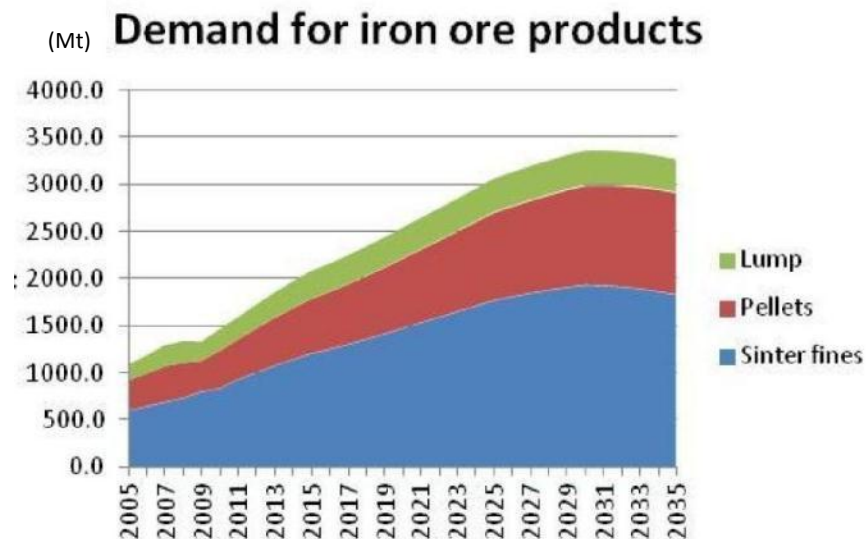
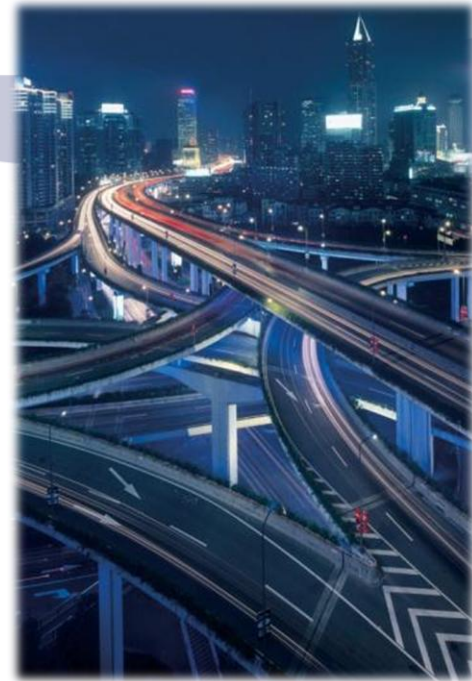


** See the Appendix to this presentation for a breakdown of the total mineral resource into JORC categories per project and the JORC Code competent person statement.*

WHY INVEST IN IRON ORE?

Demand Predicted to Increase: 1770Mtpa (2013) to 3260Mtpa (2030)*

- Demand driven by **urbanisation, industrial development** and **consumerism**
- Ongoing strong **demand growth driven from Asia**, especially China and India
- Chinese and Indian economic **growth forecast to average above 7%pa** past 2030



Source: graph and statistics - CRU

- Annual *per capita* world steel demand to grow from ~210kg to ~350kg by 2028
- Demand growth for **magnetite concentrate** for pellet feed to **outstrip other products**
- Production increases forecast but **slower** than planned and **higher-cost projects at risk**
- Customers keen to **acquire resources and/or off-take**

* Excludes Chinese integrated pellet production and domestic concentrates used for sinter

IRON ORE IN PERU

	IOCG	Skarn	Placer
Size	Large	Moderate	Moderate
Fe Grade	Low - moderate	Moderate - high	Low
Fe Style	Magnetite + haematite	Magnetite	Vanadium Ti Fe
Mining	Moderate - high cost	Low cost	Low cost
Processing	Moderate cost + complex	Low cost	Moderate cost + v complex
Logistics	Good - excellent	Moderate - hard	Good - excellent
Marketing	Good	Very good	Fair

PERU – A MAJOR RESOURCES PRECINCT

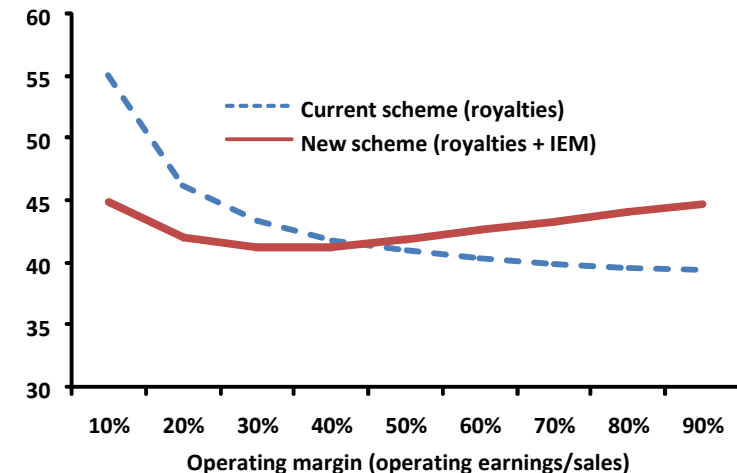
Peru – The Last Decade

- Free-trade agreement with the USA
- **Competitive** labor rates
- **Competitive** corporate tax rates and royalties
- **Stable** investment environment
- Greater than **6% p.a.** GDP growth
- **#3 world-wide** for resources investment

2011 Elections

- **President Humala** forms government - global macro-economic settings unchanged
- Strong commitment to **responsible mining**
- Social programs to reduce poverty funded by profits-based mining tax – **still competitive**

COMPANY WITHOUT A TAX STABILITY CONTRACT:
BURDEN ACCORDING TO A MODEL MINING COMPANY'S PROFITABILITY
1/ 2/
(% of profit before taxes and contributions)



1/ This assumes that 70% of the profits will be shared as dividends.

2/ Tax calculation includes income tax, employee profit sharing, royalties, IEM and taxes on dividends

Source: Laws, APOYO Consultoria

AUSTRALIAN SECURITIES EXCHANGE (ASX)

ASX: SRK

Capital structure:

- Ordinary, fully paid shares 142M
- Unlisted options 13.9M

Cash Position: (Jan 2012) **A\$25M**

Top Shareholders

- Gallagher Holdings Limited 18.2%
- Orion Equities Limited 11.7%
- Database Systems Limited 6.6%
- Ferrous Resources 4.5%
- Credit Agricole Cheuvreux 3.5%



STRONG EXPERIENCED BOARD



MALCOLM RICHMOND
(Independent Chairman)

Former senior RioTinto executive who led development of Yandicoogina iron ore business. Professor of Business at University of WA until 2012.



KEN HELLSTEN
(Managing Director)

Over 30 years with BHP Billiton and smaller resources groups, leadership role in several major resources projects from exploration and development to operations.



SAMANTHA TOUGH
(Independent NED)

Served at senior executive level in the resources and other industries. Previous roles include General Manager, North West Shelf, at Woodside Energy.



MATTHEW HAMMOND
(Non-Executive Director)

Group Managing Director of Mail.ru. Formerly Manager - Strategy for Metalloinvest-Gallagher.



WILLIAM JOHNSON
(Non-Executive Director)

Held senior executive roles in a number of public companies in Australia, and Asia and serves on the boards of several listed companies.



THOMAS KELLY
(CEO Apurimac Ferrum)

Mining engineer with over 30 years experience in resources industry including leading management roles

FOUNDATIONS ESTABLISHED FOR STRONG SUSTAINABLE GROWTH

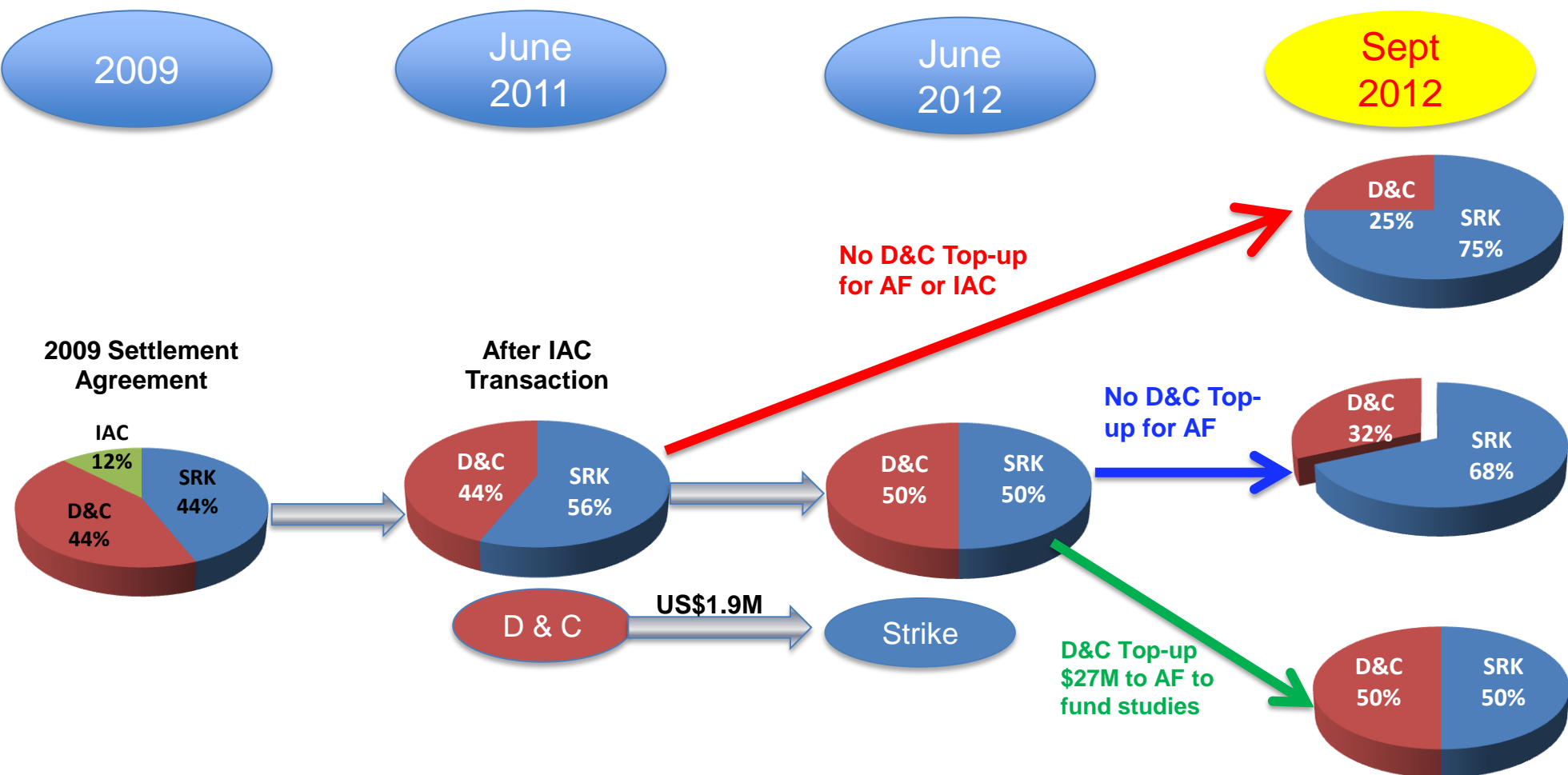
2011 Objectives



Outcomes

- ✓ Complete - resignation of 3 “aligned” directors and appointment of independent
- ✓ Appointed Tom Kelly (CEO) and strong technical and commercial team in Lima
- ✓ Achieved strong working relations with D&C in Peru. Efforts continue in Indonesia
- ✓ Established strong CR team with clear goals and mandate. Template community programs established and acknowledged
- ✓ Buy-out of minority partner in conjunction with D&C, consolidation discussions and funding arrangements established
- ✓ Cuervo deal completed and delivering results. Strike BD team established

APURIMAC FERRUM: *Strike's Pathway to Control or "free carry"*



APURIMAC IRON ORE PROJECT

Highlights

- JORC resource of **269Mt @ 57.3% Fe***
- **High-grade** with potential DSO and coarse, friable magnetite
- **At least 50%** direct interest in concession owner (AF) with **control likely during 2012**
- **Positive** initial Pre-feasibility Study (2008)
- Initial project **optimisation** undertaken and **opportunities** identified
- Substantial potential to **increase size** of resource
- **Approvals now flowing** with drilling planned from June - July



* See the Appendix to this presentation for a breakdown of the total mineral resource at this project into JORC categories and the JORC Code competent person statement.

APURIMAC – OPABAN IRON ORE DEPOSITS

Current Resources of 269Mt at 57.3% Fe*

Target of 300 – 350Mt at 57 – 58% Fe*

Current resources:

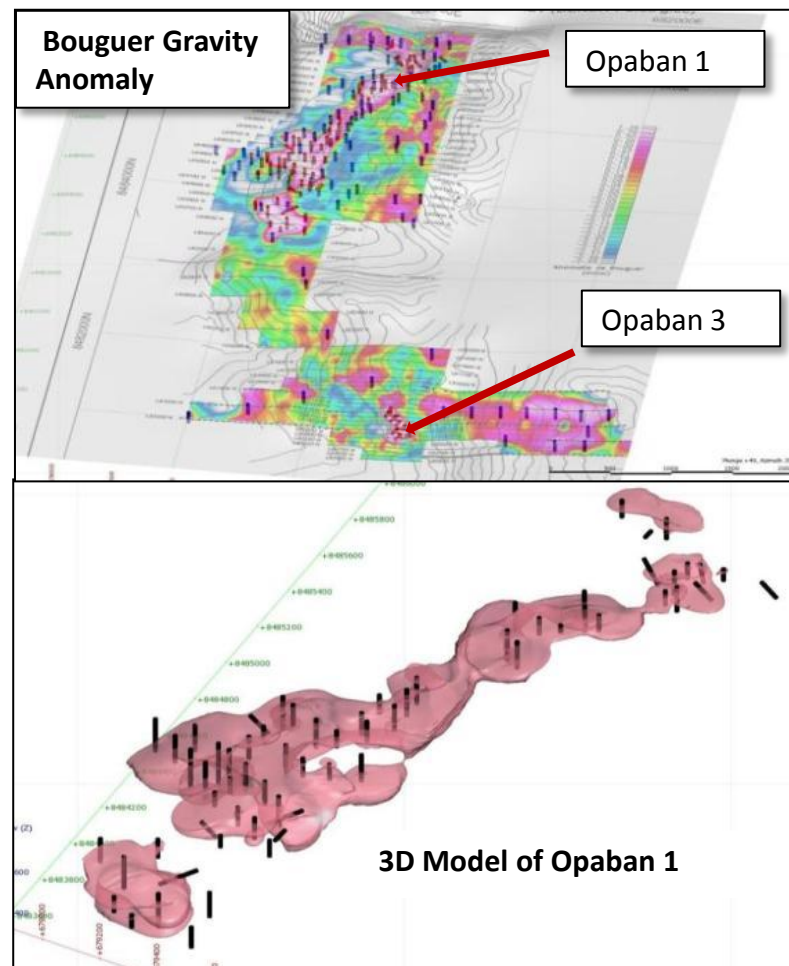
- Continuous **broad zones**
- Dominantly **high-grade, coarse-grained magnetite**
- High-grade **potential DSO** of 67.9Mt at 61.5% Fe*
- **Low strip and high conversion ratios** indicated

Target Opaban mineralization is based on:

- **Undrilled** gravity and magnetic anomalies
- Both deposits **open** at depth
- High-grade intercepts, **62.8% Fe from 0-154m**
- Hydrothermal and skarn mineralisation

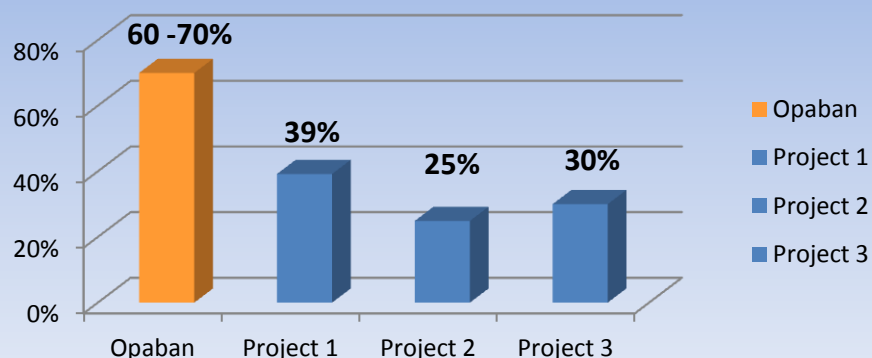
* The Appendix breaks down the total mineral resource (including the DSO component) at Opaban into JORC categories and contains the competent person statement.

+ The mineralisation target is inclusive of existing JORC resources. 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.

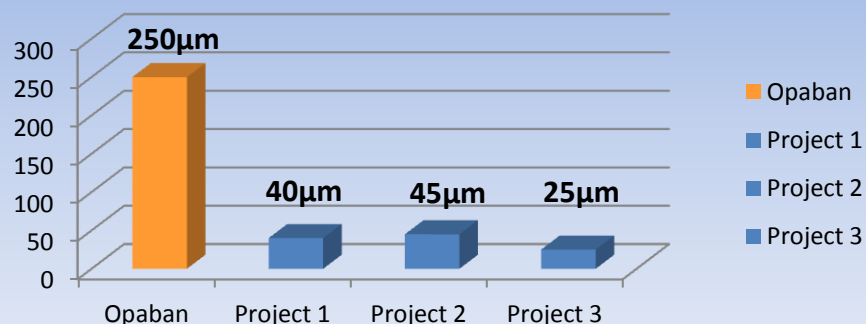


OPABAN: EXCELLENT METALLURGICAL PROPERTIES

DTR Mass Recovery



DTR Particle Size (P80 µm)



- **Coarse** particle liberation size (250 microns vs 30 – 40 microns)
- **60 - 70%** mass recovery (vs 35 – 50%)
- Excellent product grades with low impurities

Fe	64% to >68%
Al₂O₃	0.30% to 1.00%
SiO₂	1.50% to 4.50%
P	0.01% to 0.03%
S	0.01% to 0.05%*

* High S samples not included

- **Low energy** consumption hence **lower operating costs**

2008 PRE-FEASIBILITY DEMONSTRATED ATTRACTIVE PROJECT ECONOMICS



Initial Pre-feasibility: Key Parameters and Results

- 27Mtpa mining operation at **S/R of <2:1 for 20Mtpa** product
- **High-grade product >68% Fe** with low impurities
- Slurry pipeline to coast for dewatering and export
- Average **operating costs of <US\$20** per tonne
- Competitive **capex ~US\$2.9 billion (<US\$150/tpa)**
- **Infrastructure options** and strong government support

Subsequent Options or Trade-off Studies

- Rail and **traditional lump/fines** products
- **10 and 15 Mtpa** production rates
- Potential **rope conveyer** ore & product transport system



FURTHER UPSIDE POTENTIAL-TRANSPORTATION OPTIONS

Rope Conveyor Study Completed

- Up to 2km between supports
- Capacity of >20Mtpa
- Up to 20km per conveyor section
- European design with **high availabilities** (>98%)
- **Facilitates ore, lump/fines and coarse concentrate** options
- **Generate** electricity on down-hill runs
- Ideal for ore transportation to central process plant

Lump / Fines or Coarse Concentrate

- High grade (**potential DSO**) Opaban resource of 68Mt at 61.5%Fe*
- Lump/fines flow sheet simpler and **lower capital and operating costs**
- Indications of good quality product using **coarse** dry magnetic separation



APURUMIC PROJECT STATUS & FORWARD PLAN

Current Status

- >15Mtpa operation required to deliver **robust financial** returns
- **15 – 20 year** operational life necessary to justify infrastructure
- Using 65% mass recovery, **>500Mt** required

Forward Plan

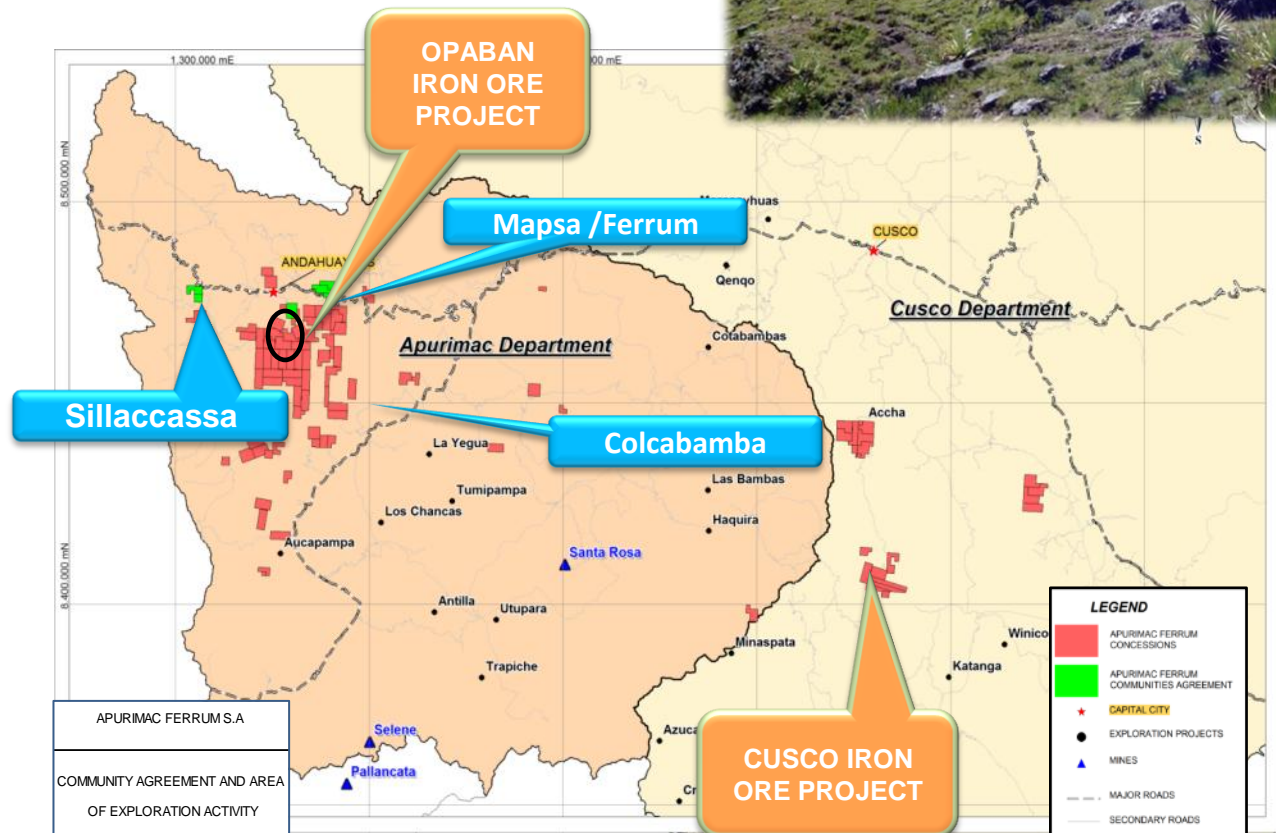
- **Increasing iron ore** base through exploration and consolidation
- Community **approvals flowing** and exploration gaining pace from March Qtr
- Preliminary exploration underway and completed in **4 – 6** areas by June 2012
- **Drilling** at Cuervo and satellite concessions from June quarter
- Based on community OK in March, Opaban drilling likely from late 2012



EXCELLENT IRON ORE POTENTIAL

Exploration Potential

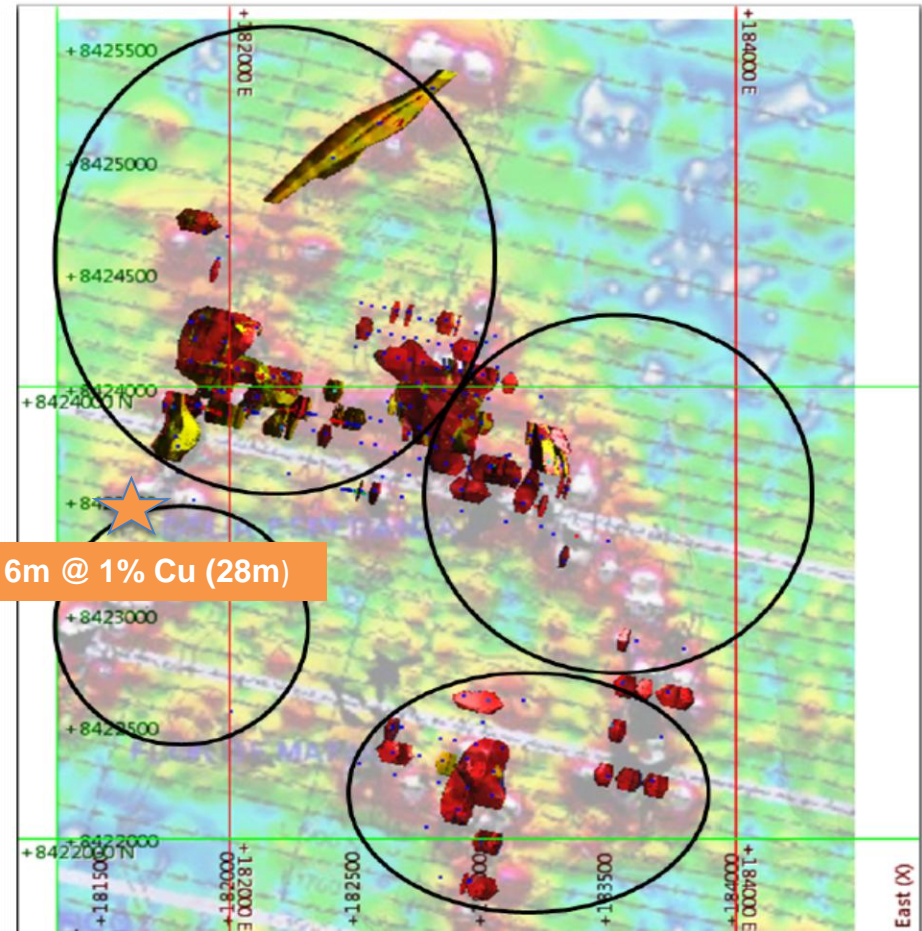
- **590km²** held under concessions in Apurimac, **~200km²** in Cusco
- **Drilling targets at Colcabamba, Sillaccassa, Opaban (North, I and III) and Cusco (Santo Tomas)**
- **>60% Fe** in several regional target areas, most untested by drilling
- **Numerous magnetic targets** for follow-up
- Testing priority determined by target quality and approvals



CUSCO - SANTO TOMAS PROJECT

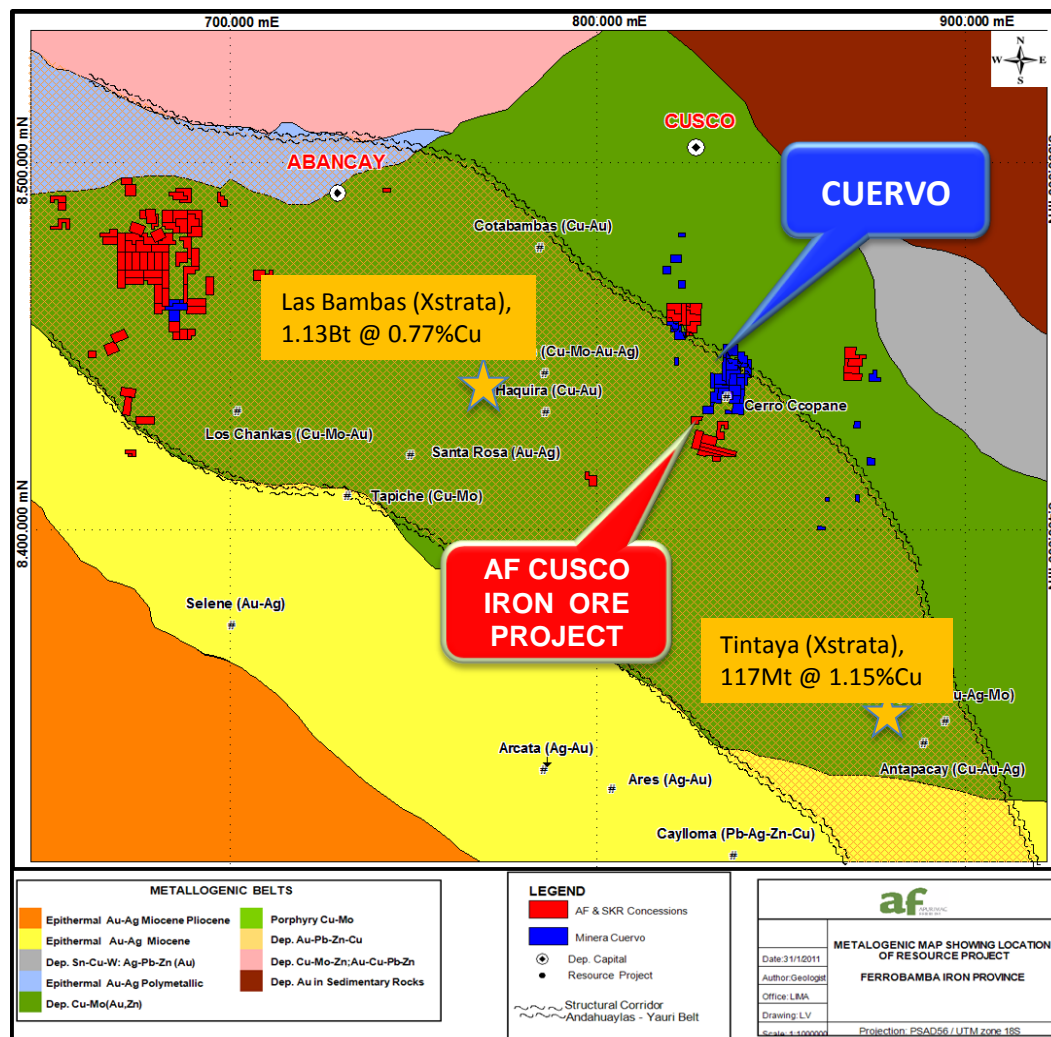
Resource Status

- **Inferred resource:** 104.3 Mt @ 32.6% Fe & 0.5% S (June 2011)*
- **Potential:** 23 - 26Mt @ 30 - 35% Fe (June 2011)+
- Lower mass recovery than Opaban and floatation circuit and/or fine grinding will be required
- **Good potential** to discover additional iron ore:
 - Conservative model
 - 30 – 40% of target area drilled
- Overall Fe grade expected to **improve** with better definition
- Significant intersections of anomalous copper values in historical drill samples including **16m @ 1% Cu**



*See the Appendix to this presentation for a breakdown of the total mineral resource at this project into JORC categories and the JORC Code competent person statement.

CUERVO AND COPPER/GOLD POTENTIAL



Options on Additional Resources

*Option to acquire 49% of Cuervo**

Stage 1

- C\$5.25M for 32.5% (undiluted)
- Min \$4.15M direct project costs
- Security over project concessions
- **2 directors** of 7, “top up” capacity
- Strong covenants and pledges

Stage 2 at SRK option

- C\$9.75 for further 16.7% **(to 49.2%)**
- Overheads capped
- **3 directors** of 7
- **World-class** copper / gold province
- Similar associations to iron deposits
- **Numerous targets** from iron exploration

* On an undiluted basis, or approximately 46% on a fully diluted basis.

CUERVO TRANSACTION – AN OPTION ON ADDITIONAL Fe RESOURCES

Orcopura: Resources of 106.4Mt @ 45.3%Fe*

- **Open** along strike and at depth
- Strong **magnetic and gravity** association

Huillque and Aurora: 72 Mt at 52.6% Fe*

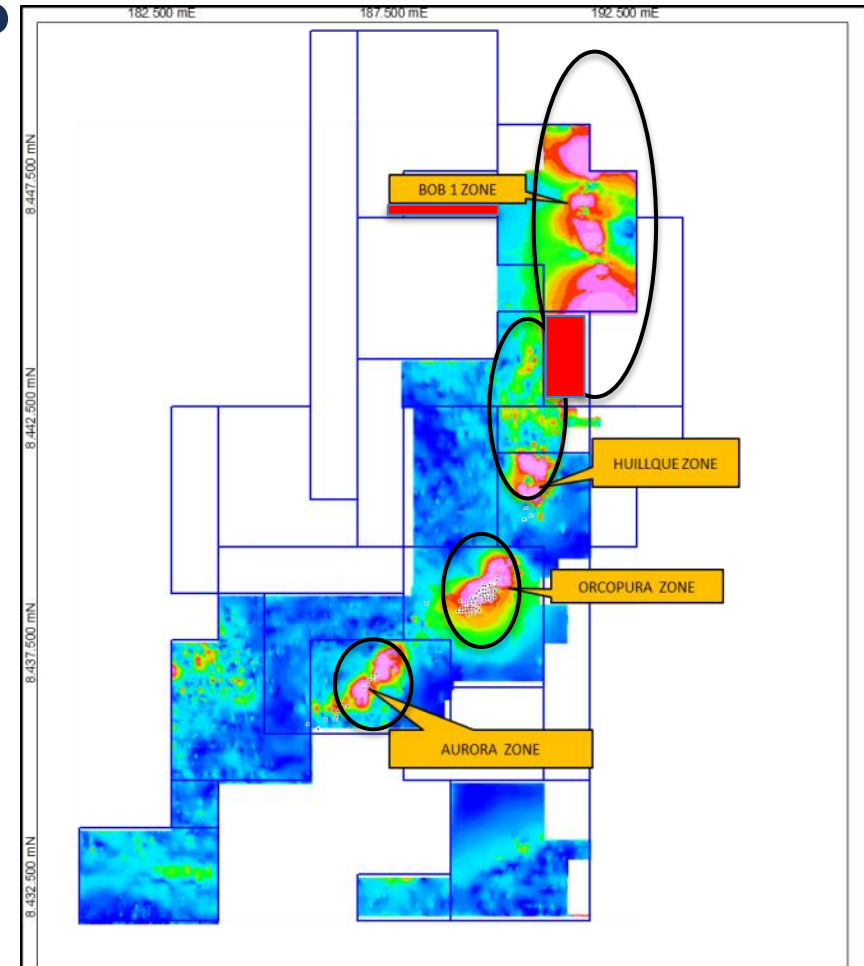
- **Open** along strike and at depth

Bob 1

- **Up to 10km** strike potential
- Strong magnetic and gravity highs
- Extensive massive **magnetite outcrops**
- **Approvals in place** and access in progress
- **Drilling from April** with resource in Sept Quarter

Huillque Norte

- 5 km strong **gravity high**
- Potential for **iron ore and Cu/Au**



**See the Appendix to this presentation for a breakdown of the total mineral resource at this project into JORC categories and the JORC Code competent person statement.*



Concession not held by Cuervo

BUILDING STRONG COMMUNITY RELATIONS IN PERU

Community Approvals Required for all Mining Programs

- Successful resource companies implement **pro-active and sustainable programs** to establish **long-term relationships** based on mutual respect
- Community support fostered through both short- and long-term programs **jointly developed and implemented** by AF and the communities
- Strong, **experienced** CR team in place
- Excellent relations established with regional and federal authorities – now **delivering results**
- Patient, respectful approach being rewarded with positive dialogue/agreement with most communities in Apurimac (3 in 2010, now >12)
- Protests in late 2011 caused **hiatus** in approvals
- **Normalized relations and attitudes from early 2012**



COMMUNITY APPROVALS – POSITIVE & IMPROVING

- ✓ Colcabamba “pilot” very successful and **approval granted for further 12 months’ exploration**
- ✓ **Established “AF Information Offices”** in 2 main communities – Huinchos and Huinquiri
- ✓ **President Humala visit** and positive mining industry messages to Andahuaylas and Apurimac region
- ✓ Formal dialogue underway with “**General Assembly**” planned for coming weeks at key communities
- ✓ Some communities **pro-actively approaching AF**
- ✓ Requests from regional authorities to work with AF on regional information processes for communities
- ✓ Community **approvals flowing** and expected to accelerate over 2012
- ✓ **Environmental approvals in line with programs**



TIMELINE FOR DETAILED PRE-FEASIBILITY STUDY

(After community approvals)

**Opaban
Resource
Extension**

6 MONTHS
Enviro Studies +
Workshops (EIS)

2 MONTHS
EIS Approval

5 MONTHS
Opaban I &
III Drilling

5 MONTHS
Resources
Estimate and
Mining Studies



**Satellite
Concession
Exploration &
Resources**

2 MONTHS
Environ Approval

4 MONTHS
Exploration
Drilling

2 MONTHS
Environ Approval

4 MONTHS
Exploration
Drilling

5 MONTHS
Resource
Estimate

**Prepare &
Present for
Board
Approval to
BFS**

**Sample
Preparation &
Metallurgical
Testwork**

3 MONTHS
Sample Prep

6 MONTHS
Metallurgical
Testwork

1 Month

**Option/
Trade-off
Studies**

6 MONTHS
Option/Trade-
off Studies

3 MONTHS
Tender &
Award PFS

4 MONTHS
Complete
Detailed PFS

Estimated duration: 20 – 24 months

IRON ORE PROJECT SUMMARY

374 Mt 50.4% Fe JORC resources* + Cuervo (179Mt @ 48.2%Fe)

Targeting 15 – 20Mtpa business over >15 years

- Expect further exploration will **substantially increase** iron ore tonnage
- Consolidation steps commenced - **≥50% AF and 32.5% Cuervo**
- **Further consolidation** planned within AF and regionally
- Timetable driven by community approvals with 20 – 24 months to deliver detailed PFS after approvals received
- **Positive initiatives** by President Humala in Apurimac and approvals now flowing in line with exploration plan
- Exploration to **accelerate during 2012** including drilling at Opaban



** See the Appendix to this presentation for a breakdown of the total mineral resource into JORC categories per project and the JORC Code competent person statement.*

BERAU THERMAL COAL PROJECT

Project

- Thermal coal project capable of delivering very good returns based on 2Mtpa operation

Partner Status

- Dialogue and negotiations over last 2 years on restructure of Co-operation Agreement
- Numerous (generous) proposals offered to partner – all rejected
- Dialogue recommenced in 2012
- Door remains open for constructive, good-faith negotiations but dispute resolution and other legal options being explored



HIGHLIGHTS – SRK VALUE & GROWTH

- ✓ Board and management **restructured**
- ✓ **Focused:** Apurimac & Cusco Iron Ore Projects in Peru
- ✓ Consolidation strategy to **secure >500Mt** resources underway:
 - Moved to at least **50%** of Apurimac Ferrum (AF)
 - **Recapitalisation** of AF in September 2012
 - Option to **acquire 49%** of Cuervo Resources*
- ✓ Strong **Peru-based** team established and delivering **results**
- ✓ Approvals flowing and **exploration programs accelerating**
- ✓ Cuervo and AF **drilling from April**
- ✓ Short- to medium-term **value** through business development
- ✓ **Strong cash position** with **A\$25 million in cash** (Dec 2011), US\$31 million in secured loans to AF and C\$5.25 million secured loan to Cuervo



THANK YOU
ASX: SRK

APPENDIX – JORC CODE INFORMATION

Resource Breakdown – AF Projects

Project	Classification	Tonnes (Mt)	Head Fe (%)
Apurimac	Inferred	127.2	56.7
	Indicated	142	58
Cusco	Inferred	104.4	32.6

The 68Mt DSO component of the Apurimac resource is comprised of a 27Mt inferred resource at 61.35% Fe and 41 Mt indicated resource at 61.57% Fe and is included within the above figures.

Resource Breakdown Cerro Ccopane Project (Cuervo Resources, Inc)

Prospect	Classification	Tonnes (Mt)	Head Fe (%)	Cut-off (% Fe)
Orcopura	Measured	19.7	48.26	20
	Indicated	35.9	45.91	20
Orcopura	Inferred	51	43.7	20

Total inferred resources across all 3 prospects, using a 30% lower cut for Orcopura*

Prospect	Classification	Tonnes (Mt)	Head Fe (%)	Cut-off (% Fe)
Orcopura	Inferred*	46	45.8	30
Huillque and Aurora	Inferred	72	52.6	30
Total	Inferred	118	50.4	30

*The same lower cut used in the later Huillque and Aurora estimates.

APPENDIX – JORC CODE INFORMATION

Resource Breakdown (cont'd)

Cerro Ccopane Project (Cuervo Resources, Inc)

The resource estimate for Cuervo's Orcopura prospect stands at 19.7 Mt at 48.3% Fe (measured resource), 35.9 Mt at 45.9% Fe (indicated resource) and 50.8 Mt at 43.7% (inferred resource). That estimate is a wire-framed computer model using a 20% Fe lower cut with grades determined using the inverse distance squared estimation method. The resource estimate for the Huillque and Aurora prospects uses a 30% Fe lower cut and the sectional polygonal resource estimation process. Accordingly, some care must be taken when quoting a global resource for the Cerro Ccopane project area.

JORC Code Competent Person Statement

The information in this document which relates to mineral resources and exploration results has been compiled by Mr Ian Cullen, B.Sc. (Geology), who is an employee of Strike Resources Ltd and is a member of the Australasian Institute of Mining and Metallurgy. 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 this information in the form and context in which it appears.