

Quarterly Report

Strike Resources Limited (ASX: SRK, "Strike" or "the Company") is pleased to present the Quarterly Report for the period ended 30 September 2013.

Overview

- The Company's core focus remains the validation of Apurimac's high grade magnetite exploration target* of at least 500 million tonnes (Mt) of iron ore (including current resources) at a grade of 56 – 58% iron (Fe) to support the establishment of a 15 – 20 Mtpa iron ore operation.
- Strike reached agreement with the local community of Huinchos for continued access to key areas of Apurimac, Strike's flagship project in Peru.
- Following the agreement with Huinchos, an Environmental Impact Assessment study has now commenced on the main Apurimac Concessions as a necessary pre-cursor to further drilling, which is scheduled (subject to receipt of necessary Government and further community approvals) for second quarter 2014.
- Separate community approval reached for prospective Sillaccassa satellite concessions, with initial smaller scale drill program targeted to commence in first quarter 2014.
- At the Cuervo Resources Inc. ("Cuervo") operated Cerro Ccopane Project, updated studies saw total JORC mineral resources at the project more than double to 395.6 Mt at an average grade of 43.8% iron.
- During the quarter Strike confirmed it made a confidential non-binding offer to Cuervo in respect to certain Peruvian iron ore assets including the Cerro Ccopane project. The offer was rejected.
- As at 30 September 2013, the Company's cash balance stood at \$13.34 million. The Company estimates that the current capital base is sufficient to support significant exploration and development activities in Peru over the next 12-18 months.

Strike Resources Managing Director, Mr William Johnson, said he was pleased that working with the local communities at Apurimac had culminated in a positive outcome.

"Working to reach an agreement with the local communities has been our primary focus on the ground in Peru and is an important factor in our future success at our flagship Apurimac project," Mr Johnson said.

"With the Huinchos and Sillaccassa agreements, we can now actively start working on the ground again, to seek to expand the resource base beyond 500 million tonnes."

ABOUT STRIKE:

Strike Resources is an ASX listed iron ore project developer, focused on the high grade Apurimac magnetite project in Peru.

Apurimac is 100% owned by Strike and has the potential to support the establishment of a 15-20 Mtpa iron ore operation, based on some of the highest magnetite grades in the world.

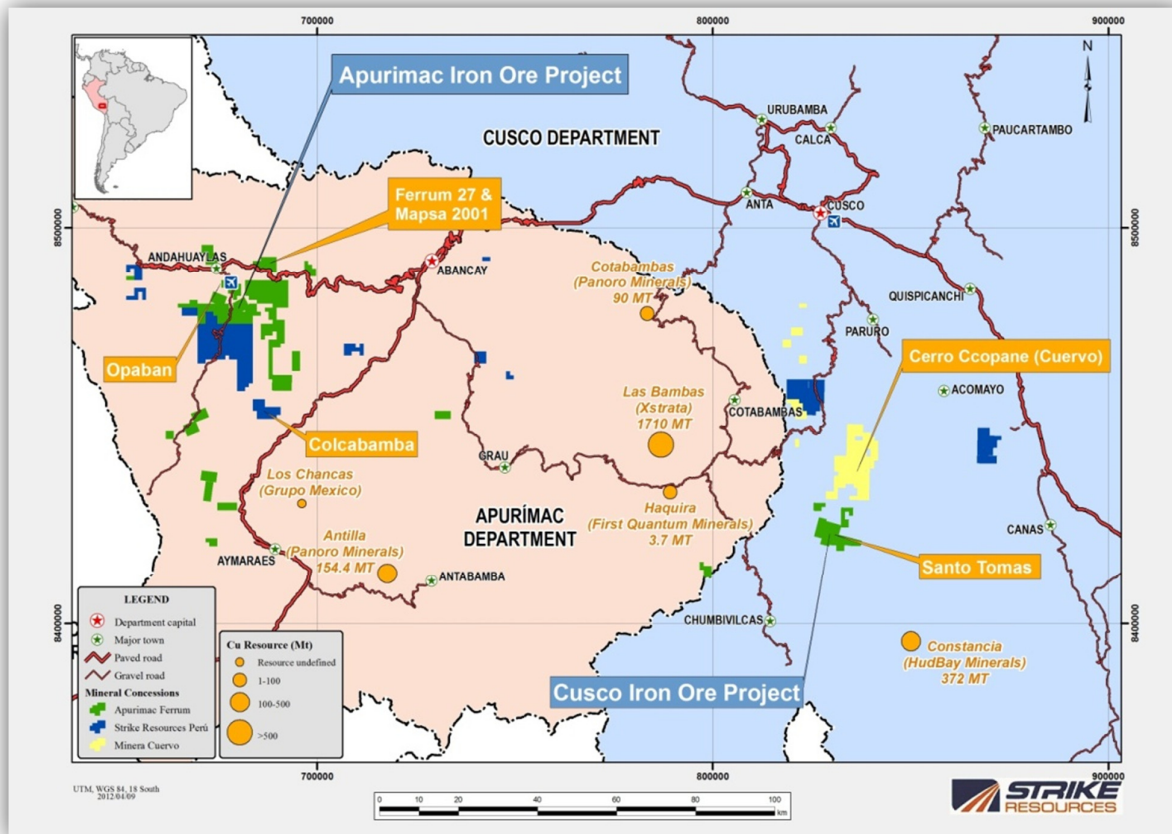
In the near term, Strike intends to expand the resource base at Apurimac significantly.

Alongside Apurimac, Strike holds the Cusco Iron Ore Project, and an interest in the Cerro Ccopane project, both of which are also magnetite projects in Peru.

Strike is well funded to meet its objectives, with significant cash in hand to progress the Apurimac project.

** The potential quantity of the target iron ore in this section of this document 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.*

Projects



Apurimac

Apurimac is the Company's flagship project and will be Strike's key focus in 2013-14. The core objective is to validate Apurimac's high grade magnetite exploration target of at least 500Mt of iron ore (including current resources) at a grade of 56 – 58% Fe to support the establishment of a 15 – 20 Mtpa iron ore operation.

Work during the quarter centred on reaching agreement with local communities for continued access to key areas of Apurimac. Activities undertaken in conjunction with the community of Huinchos during the quarter include support for the development of a local irrigation project, supply of fertiliser, assistance with the construction of a local community church, and completion of school sportsfields.



Community members assisting with the construction of a local church, funded by Strike



Delivery of fertiliser to the community of Huinchos

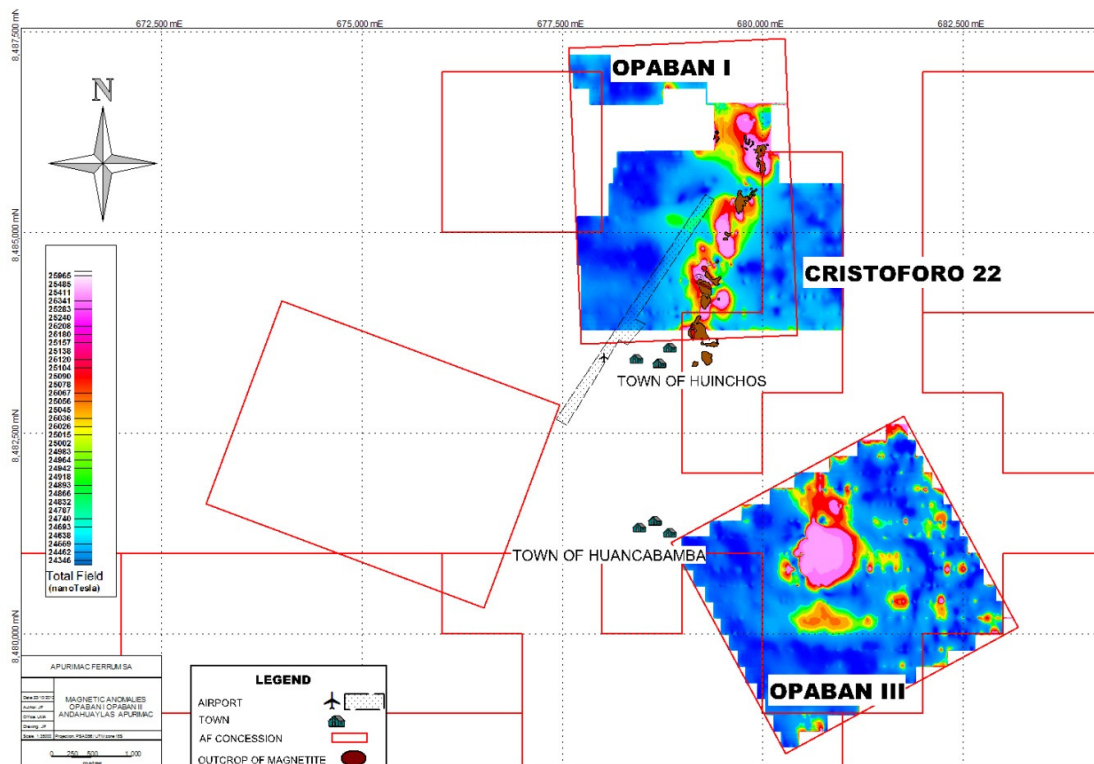
The company has also established a number of Information Centres in the community, aimed at increasing awareness within the community of the Company's exploration plans.



Information Centre in operation

This work brought success during the quarter, culminating in a formal agreement reached with the community of Huinchos. The agreement provides for Strike to now access and explore its most important concessions and to undertake an Environmental Impact Assessment Semi Detailed ("EIA") study, required by the Peruvian Ministry of Energy and Mines prior to commencement of further drilling.

The EIA, which has now commenced, is expected to take approximately four months to complete, prior to submission to the MEM for review and approval. As well as examining environmental issues, the study includes a process of community consultation during which final approvals from the impacted community groups are sought. The majority of planned holes lie within the boundary of the Huinchos Community, which has already given its approval for the EIA and indicated its support for the drilling. The Company is hopeful of securing final approvals from all of the other impacted community groups during this process. This will enable drilling across the key Opaban 1, Opaban 3 and Christoforo 22 Concessions (the "Opaban Concessions") in one campaign. However, if one or more other community groups withhold their approval, then the Company may decide to limit its drilling in this campaign to those areas where it has community support.



Opaban Concessions with magnetics and outcrop magnetite, targeted for drilling in mid-2014

A two stage drilling program has been prepared. Stage one of the drilling program consists of 135 mostly Reverse Circulation (RC) holes to test the extension of the Opaban ore bodies along strike and down dip. The strike length of the magnetic anomaly covering the Opaban ore bodies is 5.4km in Strike-owned concessions, with only 50% of this being tested to date with drilling. There is therefore considerable opportunity to significantly expand the current Opaban resource. Stage two of the drilling program will consist of a more in-fill drill pattern across the ore bodies.

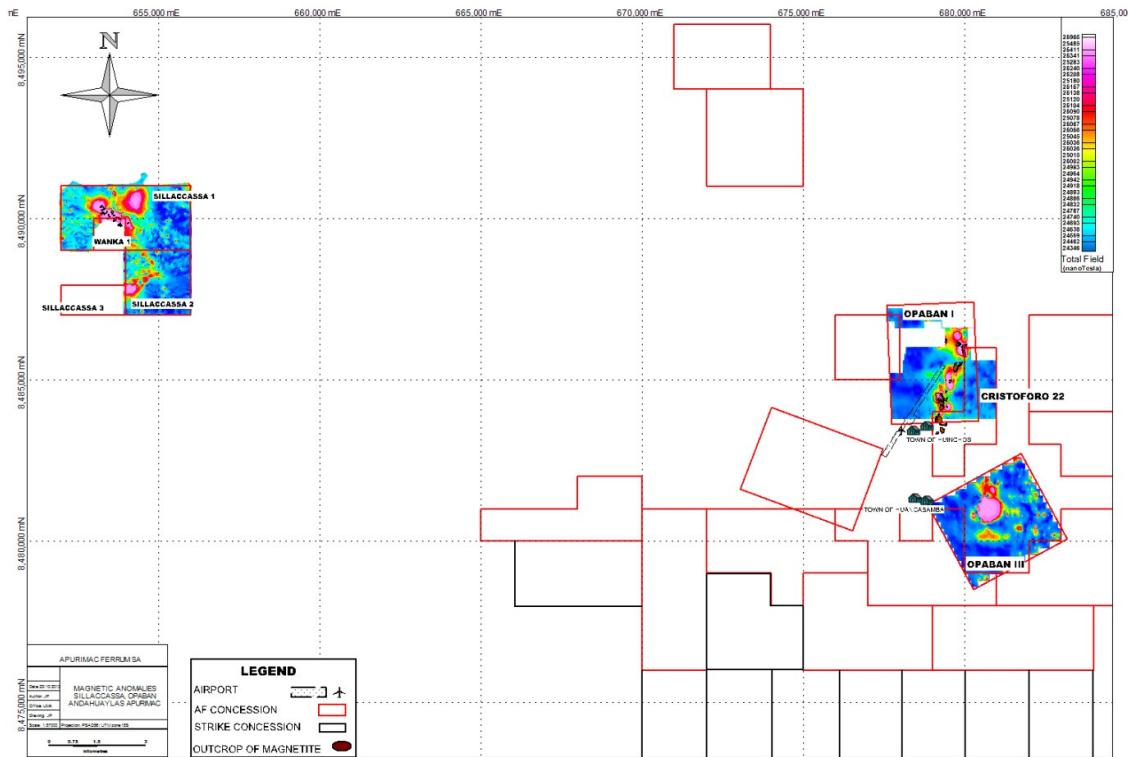
The large number of holes planned means an EIA is required by the MEM before drilling can commence on the Opaban concessions. Strike has engaged international engineering and consulting firm Klohn Crippen Berger to undertake the EIA.

Once the EIA is submitted, the MEM approval process is expected to take a further 2 – 4 months. Also several additional licenses will be required to be received from other government agencies including licenses for using water for drilling and disposal of waste prior to being able to commence drilling.

The Company is targeting July 2014 to commence its drilling program on the Opaban Concessions.

Sillaccassa Concessions

The Company has separately negotiated a three year exploration agreement with the Casbabamba community which covers the prospective Sillaccassa 1, Sillaccassa 2, Sillaccassa 3 and Wanka 1 concessions (the "Sillaccassa Concessions") located 25km west of the Opaban Concessions.

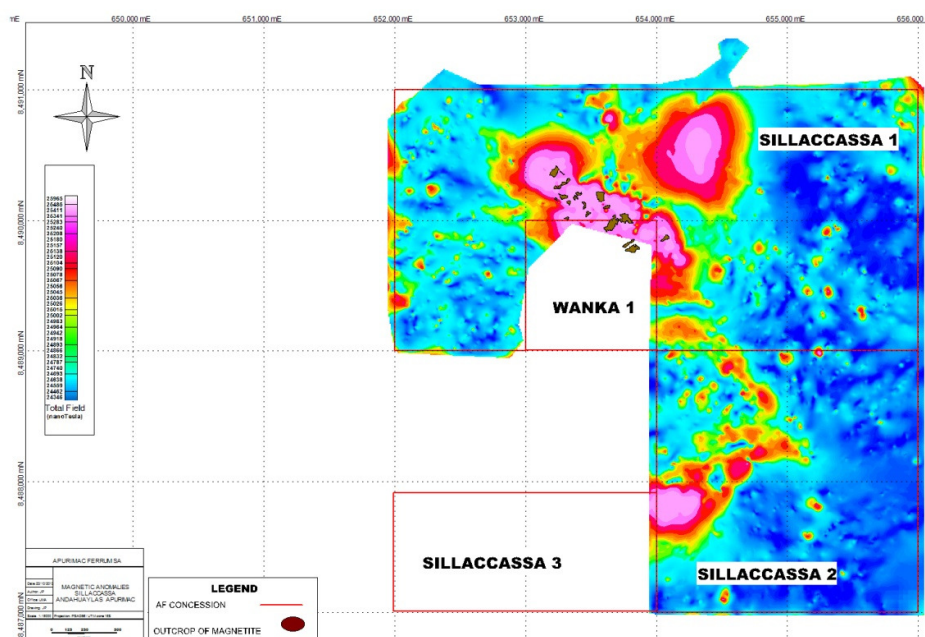


Location of the Sillaccassa Concessions relative to the Opaban Concessions.

As the Company initially plans to drill less than 20 holes in the Sillaccassa Concessions, an environmental study can be completed, submitted and potentially approved within 8 weeks.

As a result, if the study is approved, Strike may potentially be able to drill the Sillaccassa Concessions in February 2014.

Exploration to date has identified three magnetic anomalies in the Sillaccassa Concessions; two of which extend for more than one kilometre and have coincident outcropping magnetite-rich ironstones. Iron grades from rock-chip sampling of the ironstones, which extend for approximately one kilometre in strike length, averaged 69% Fe.



Magnetic anomalies and outcrop magnetite in the Sillaccassa Concessions

Based on the extent of the magnetic anomalies and ironstones these concessions have been assessed to have potential to contain 50 – 150 Mt of iron ore at grades of 35 – 60% Fe¹. Accordingly, this area could provide a significant satellite resource for an iron ore operation at the Opaban Concessions.

Cusco

The Cusco project lies approximately 150km to the south - east of Apurimac and forms an attractive secondary development target for the Company in Peru.

Like Apurimac, iron ore mineralisation at the project is coarse grained and dominated by magnetite, with high grades recorded. Preliminary metallurgical tests indicate a concentrate grade of >65% Fe can be produced from this ore using conventional grinding and magnetic separation processes.

An initial inferred resource estimate of 104Mt at 32.6% Fe is recorded for the Project, which has the scope for upgrade following further exploration work (including drilling) which would support re-evaluation of the resource methodology.

No work was undertaken on the Cusco project during the quarter as the Company continues to focus on first progressing Apurimac.

¹ The potential quantity of the target iron ore in this section of this document 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.

Cerro Ccopane (operated by Cuervo Resources Inc)²

The Cerro Ccopane Project, located approximately 150km to the south - east of Apurimac, is operated by Canadian listed company Cuervo Resources Inc ("Cuervo").

During the June quarter an updated Mineral Resource estimate for Cerro Ccopane was released by Cuervo, with resources more than doubling in size to 395.6Mt at an average grade of 43.8% iron.

During the quarter Strike confirmed it had made a confidential non-binding offer to Cuervo in respect to certain Peruvian iron ore assets including the Cerro Ccopane project. Given Strike's strong financial position, the Company believed that enhanced value for Strike shareholders in respect of future developments at Cerro Ccopane might best be achieved by the Company moving to full control of the project.

Subsequently, the offer was rejected by Cuervo. Strike will keep the market informed of any future developments with respect to Cuervo.

Cash Position

As at 30 September 2013, the Company's cash balance stood at \$13.34 million. This gives Strike a robust capital base to progress the Apurimac exploration target.

The Company estimates that the current capital base is sufficient to support significant exploration and development activities in Peru over the next 18-24 months, depending on the speed of required approvals for certain exploration activities.

-ENDS-

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The information in respect to mineral resources and other exploration results at Cerro Ccopane is extracted from the report entitled "Cerro Ccopane Resource and Funding Update" released by Strike to the ASX on 30 July 2013 and available at www.strikeresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

² Strike has advanced Cuervo C\$5.25M to fund the Stage 1 drilling and exploration program and, in return, was issued warrants that can be converted to 31.5% of Cuervo's shares on an undiluted basis, at C\$0.30 per share. Strike holds a share pledge (similar to a share mortgage) over 90% of the shares in Cuervo's 100%-owned Peruvian subsidiary that, in turn, owns Cuervo's concessions. Upon Cuervo validly estimating a 500 Mt inferred resource across its Cerro Ccopane Project, this security is reduced so as to cover only 45% of those shares.

JORC Code (2004) Competent Person Statement - Apurimac and Cuervo

The information in this document that relates to exploration results and mineral resources in respect of the Apurimac and Cuervo projects has been compiled by Mr Ken Hellsten, B.Sc. (Geology), who is a consultant to Strike Resources Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten has sufficient experience 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 Hellsten consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

Appendix 1 - Apurimac and Cusco mineral resources

Apurimac

The Apurimac project has a JORC resource of 269.4 Mt, consisting of:

- a 142.2 Mt Indicated Mineral Resource at 57.8% Fe; and
- a 127.2 Mt Inferred Mineral Resource at 56.7% Fe.

Combined Mineral Resources for Opaban 1 and Opaban 3

Category	Project	Density t/m ³	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Inferred		4	127.19	56.7	9.66	2.7	0.04	0.2
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Totals			269.4	57.3	9.4	2.56	0.04	0.16

Cusco

Category	Project	Density t/m ³	Mt*	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53
Totals			104.4	32.62	0.53	3.19	0.035	0.53

Cerro Ccopane

Bob1 New Resources	Tonnes (Mt)	Iron (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S%
Inferred	217.0	40.2	21.6	5.0	0.08	2.2

Cerro Ccopane New Total ³	Tonnes (Mt)	Iron (%)
Inferred	340.0	43.3
Indicated	35.9	45.9
Measured	19.7	48.3
Total	395.6	43.8

³ Although a full suite of elementary analyses were completed on all drilling at Cerro Ccopane the resources apart from Bob1 (Golder) were not estimated for SiO₂, Al₂O₃, or P and S grade estimates were completed only for Orcapura and Bob1 (Golder) resources.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

STRIKE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN

94 088 488 724

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(456)	(456)
(b) development	-	-
(c) production	-	-
(d) administration	(731)	(731)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	141	141
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,046)	(1,046)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(1,046)	(1,046)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,046)	(1,046)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,046)	(1,046)
1.20	Cash at beginning of quarter/year to date	14,415	14,415
1.21	Exchange rate adjustments to item 1.20	(31)	(31)
1.22	Cash at end of quarter	13,338	13,338

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	121
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions 1.23 includes director's fees and salaries for executive and non-executive 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

Nil

- 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

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	750
Total	1,250

Reconciliation of cash

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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	902	1,979
5.2 Deposits at call	12,436	12,436
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	13,338	14,415

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	145,334,268	145,334,268		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options Director options Director options Director options Director options Director options Director options Director options	500,000 500,000 500,000 916,666 916,666 916,668 3,000,000		<i>Exercise price</i> 36.0 cents 42.0 cents 56.0 cents 36.0 cents 42.0 cents 56.0 cents 30.0 cents	<i>Expiry date</i> 23 November 2016 23 November 2016 23 November 2016 23 November 2016 23 November 2016 23 November 2016 17 June 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:

Managing Director

Date: 31 October 2013

Print name: William Johnson

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.