



# Half-Year Report

31 December 2015

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**CORPORATE DIRECTORY**

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This half-year report covers Firestrike Resources Limited (“the Company”) and its subsidiary (together “the Group”) for the half year ended 31 December 2015. The Company’s functional and presentation currency is AUD (\$).

<b>OFFICERS</b>	Roger Steinepreis	(Non-Executive Chairman)
	David Holden	(Non-Executive Director)
	Paul Lloyd	(Non-Executive Director/ Company Secretary)

<b>REGISTERED OFFICE</b>	Suite 1, 437 Roberts Road SUBIACO WA 6008
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<b>SOLICITORS</b>	Steinepreis Paganin Lawyers and Consultants Level 4, Next Building 16 Milligan Street PERTH WA 6000
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<b>AUDITORS</b>	HLB Mann Judd Level 4, 130 Stirling Street PERTH WA 6000
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<b>SHARE REGISTRY</b>	Advanced Share Registry Ltd 110 Stirling Highway NEDLANDS WA 6009 Telephone: (08) 9389 8033 Facsimile: (08) 9262 3723
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<b>PRINCIPAL PLACE OF BUSINESS</b>	Suite 1, 437 Roberts Road SUBIACO WA 6008 Telephone: (08) 9476 9209 Facsimile (08) 9381 1122
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<b>WEBSITE</b>	<a href="http://www.firestrike.com.au">www.firestrike.com.au</a>
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**FIRESTRIKE RESOURCES LIMITED**  
**ACN 149 796 332**  
**HALF YEAR REPORT TO 31 DECEMBER 2015**

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**DIRECTORS' REPORT**

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Your Directors submit the financial report of the Group (comprising Firestrike Resources Limited and its subsidiary) for the half year ended 31 December 2015.

**Directors**

The names of Directors who held office during or since the end of the half-year:

Roger Steinepreis	Non-Executive Chairman
David Holden	Non-Executive Director
Paul Lloyd	Director/Company Secretary

**Company Secretary**

Paul Lloyd held the position of Company Secretary during the financial period.

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**Operations**

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The loss for the half year ended 31 December 2015 was \$511,534 (31 December 2014: \$167,330).

The 6 months ended 31 December 2015 has been a very active half year for the Company and its Directors. The Directors have identified and further advanced the acquisition of 100% of the issued share capital of Linius (Aust) Pty Ltd resulting in a Notice of meeting being sent to all shareholders on 25 February 2016. The meeting will consider 16 resolutions, including the acquisition of Linius (Aust) Pty Ltd and the changing of the Company's name to Linius Technologies Limited.

**ABOUT LINIUS (AUST) PTY LTD**

Linius has the rights to a transformative patented technology in video management and broadcasting.

The highlights of the Linius business are as follows;

- Linius transforms video file management and distribution by indexing and managing data within the video file itself.
- Linius has the potential to disrupt the entire video value chain.
- Potential to dramatically reduce the production and supply side costs of video management by, for example, removing the need for transcoding to the myriad of file formats required for broadcasting to different devices.
- Potential to facilitate truly personalised viewing experiences. No two streams need ever be the same again.
- US and International patents granted.

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## DIRECTORS' REPORT

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- Limited deployment partners identified.
- 93% of all consumer web traffic and 64% of mobile is video (ref: Cisco).
- Strong management team in place with extensive experience in the video space.

### Background

Linus has designed and patented the world's first video virtualisation engine. The technology transforms large inflexible video files into small highly flexible data structures. The patented process applies two highly successful techniques to video – data indexing and virtualisation, which means that video can be indexed, spliced and edited in real time.

Content publishing no longer requires transcoding, complex workflow systems or numerous individual streams to personalise video delivery. Instead video files can be virtualised and delivered as required to any standards based device.

### Some of the key potential benefits include:

#### *For Content owners:*

- Greater opportunity to monetise content catalogues
- Almost eliminate transcoding costs
- Improved security and control of assets
- Access and manage entire content database

#### *For Broadcasters:*

- Simplified workflow for video play out on standards based devices
- Capability to truly personalise content viewing experiences
- Ability to insert specific ads in individuals streams
- Personalised pricing options

#### *Infrastructure providers:*

- Dramatically reduce transport, storage and broadcast costs
- Significant capex savings on infrastructure and storage costs

Linus has 7 patents and 12 patent applications across 9 countries including a freedom to operate in the USA.

### Capital raising

The Company lodged a Prospectus with ASIC on 3 March 2016 to raise a maximum of \$3,500,000 via the issue of 70,000,000 shares at an issue price of \$0.05 per share. The offer closes 30 March 2016 and a copy of the prospectus is available from the Company's website.

The prospectus includes a thorough analysis of the Linus software and the various business models to be employed to commercially develop that software.

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**DIRECTORS' REPORT**

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**Exploration Activities**

During the six months to 31 December 2015 the Company has completed minimal exploration on the Copper Ridge project in Utah, USA. The Directors made a decision to incur the minimum expenditure to maintain the project given the capital markets interest in early stage copper and gold projects.

Initial conclusions from ongoing desk top studies recommended a number of claims may be reduced. This is in order to minimise expenditure with the remaining claims covering the key prospects already defined. The asset remains of value to the Company and the project will continue to be maintained to meet the requirements of State and the Federal legislation in the USA.

**Auditor's Independence Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.



Non-executive Director

Paul Lloyd

Dated this 15th day of March 2016

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Firestrike Resources Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 March 2016



**D I Buckley**  
Partner

FIRESTRIKE RESOURCES LIMITED  
ACN 149 796 332  
**HALF YEAR REPORT TO 31 DECEMBER 2015**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31.12.2015	31.12.2014
	\$	\$
Revenue	7,403	2,288
Administration expense	(90,682)	(56,002)
Employee benefit expense	-	(37,580)
Financial administration and compliance expenses	(86,084)	(69,958)
Legal expenses	(1,084)	(5,255)
Exploration expenditures written off	(24,414)	-
Travel and accommodation expense	-	(823)
Transaction costs of the Linius acquisition	2 (316,673)	-
Loss before income tax	(511,534)	(167,330)
Income tax expense	-	-
Loss for the period	(511,534)	(167,330)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	151	48,658
Total comprehensive loss for the period	(511,383)	(118,672)
Basic and diluted loss per share (cents per share)	(0.54)	(0.25)

The accompanying notes form part of this financial report.



**FIRESTRIKE RESOURCES LIMITED**  
**ACN 149 796 332**  
**HALF YEAR REPORT TO 31 DECEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2015**

	Note	31.12.2015	30.06.2015
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		837,803	719,359
Trade and other receivables	2	33,929	10,566
<b>TOTAL CURRENT ASSETS</b>		<b>871,732</b>	<b>729,925</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	3	-	-
Property, plant and equipment		-	130
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>130</b>
<b>TOTAL ASSETS</b>		<b>871,732</b>	<b>730,055</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		46,144	20,165
<b>TOTAL CURRENT LIABILITIES</b>		<b>46,144</b>	<b>20,165</b>
<b>TOTAL LIABILITIES</b>		<b>46,144</b>	<b>20,165</b>
<b>NET ASSETS</b>		<b>825,588</b>	<b>709,890</b>
<b>EQUITY</b>			
Issued capital	4	5,597,110	4,970,029
Accumulated losses		(4,768,168)	(4,256,634)
Foreign currency translation reserve		(39,815)	(39,966)
Option reserve		36,461	36,461
<b>TOTAL EQUITY</b>		<b>825,588</b>	<b>709,890</b>

The accompanying notes form part of this financial report.

**FIRESTRIKE RESOURCES LIMITED**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Issued capital	Accumulated losses	Foreign currency translation reserve	Option reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	4,160,284	(3,572,969)	(79,006)	22,961	531,270
Loss for the period	-	(167,330)	-	-	(167,330)
Other comprehensive income	-	-	48,658	-	48,658
Total comprehensive loss for period	-	(167,330)	48,658	-	(118,672)
Shares issued during the period	850,000	-	-	-	850,000
Options issued during the period	-	-	-	13,500	13,500
Capital raising costs	(40,255)	-	-	-	(40,255)
Balance at 31 December 2014	4,970,029	(3,740,299)	(30,348)	36,461	1,235,843
Balance at 1 July 2015	4,970,029	(4,256,634)	(39,966)	36,461	709,890
Loss for the period	-	(511,534)	-	-	(511,534)
Other comprehensive income	-	-	151	-	151
Total comprehensive loss for period	-	(511,534)	151	-	(511,383)
Shares issued during the period	640,630	-	-	-	640,630
Options issued during the period	-	-	-	-	-
Capital raising costs	(13,549)	-	-	-	(13,549)
Balance at 31 December 2015	5,597,110	(4,768,168)	(39,815)	36,461	825,588

The accompanying notes form part of this financial report.

**FIRESTRIKE RESOURCES LIMITED**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR HALF YEAR ENDED 31 DECEMBER 2015**

	31.12.2015	31.12.2014
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(491,626)	(183,550)
Interest received	7,403	2,288
Net cash used in operating activities	(484,223)	(181,262)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration expenditure	(24,414)	(126,956)
Net cash used in investing activities	(24,414)	(126,956)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	640,630	850,000
Proceeds from option issue	-	6,000
Capital raising costs	(13,549)	(32,755)
Net cash provided by financing activities	627,081	823,245
Net increase/(decrease) in cash held	118,444	515,027
Cash at beginning of period	719,359	327,084
Cash at end of period	837,803	842,111

The accompanying notes form part of this financial report.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This interim half year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Firestrike Resources Limited or its subsidiaries during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year.

**Basis of preparation**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half year has been treated as a discrete reporting period.

**Accounting judgments and key estimates**

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group financial report for the year ended 30 June 2015.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Accounting policies and methods of computation**

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Adoption of new and revised Accounting Standards**

In the half year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2015. The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

**NOTE 2: TRANSACTION COSTS**

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	6 MONTHS TO 31.12.2015	YEAR TO 30.06.2015
	\$	\$
Due diligence costs	66,673	-
Impairment of Non-refundable deposit (i)	250,000	-
	<hr/> 316,673	-

(i) In accordance with the Binding Heads of Agreement with Linius (Aust) Pty Ltd ("Linius"), Firestrike was required to pay Linius a non-refundable deposit of \$250,000. Should the acquisition of Linius be completed the deposit may become recoverable from Linius and the impairment would be reversed.

**NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE**

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	6 MONTHS TO 31.12.2015	YEAR TO 30.06.2015
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
<b>Exploration and evaluation phase – at cost</b>		
Balance at the beginning of period	-	253,840
Expenditure incurred	24,414	115,748
	<u>24,414</u>	<u>369,588</u>
Impairment of exploration expenditure (i)	(24,414)	(369,588)
Total exploration and evaluation expenditure	<u>-</u>	<u>-</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent upon the successful development and commercial exploitation or sale of the respective areas.

- (i) The Board assessed the carrying value of the Copper Ridge Project in Utah USA and resolved that due to the limited funds available to commit to exploration on this project, this expenditure be fully impaired at balance date. (2015: also relates to the carrying value of the Copper Ridge Project in Utah USA).

**FIRESTRIKE RESOURCES LIMITED**  
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**NOTE 4: ISSUED CAPITAL**

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			31.12.2015	30.06.2015
			\$	\$
<b>Ordinary Shares</b>				
Issued and fully paid			5,597,110	4,970,029
Movement in ordinary shares on issue				
	6 Months to	Year to	6 Months to	Year to
	31.12.2015	30.06.2015	31.12.2015	30.06.2015
	No.	No.	\$	\$
At start of period	90,499,985	47,999,985	4,970,029	4,160,284
Share issue	28,784,054	42,500,000	640,630	850,000
Share issue costs	-	-	(13,549)	(40,255)
At the end of period	119,284,039	90,499,985	5,597,110	4,970,029

Options on issue at 31 December 2015

	No.
At 1 July 2015	17,800,000
Converted during period	(3,247,446)
At 31 December 2015	14,552,554

The options are exercisable at \$0.04 on or before 31 December 2016.

**NOTE 5: OPERATING SEGMENTS**

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**Segment Information**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of mining exploration and treasury activities. Operating segments are therefore determined on the

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**NOTE 5: OPERATING SEGMENTS (CONTINUED)**

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same basis. Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

- (i) Tenement exploration and evaluation:  
The exploration of current project and the evaluation of new ones are reported in this segment. Segment assets, including acquisition costs of exploration licences and all expenses related to the tenements are reported in this segment.
- (ii) Treasury  
The reporting relating to income from cash holdings is reported in this segment.

	Continuing Operations		
	Treasury	Exploration and Evaluation	Consolidated
	\$	\$	\$
31 December 2015			
Segment revenue	7,403	-	7,403
Segment result	7,403	(24,414)	(17,011)
Reconciliation of segment results to group results:			
Unallocated items			(494,523)
Total group results from continuing operations			(511,534)
Segment assets	871,732	-	871,732
Reconciliation of segment assets to group assets:			
Property, plant & equipment			-
Total group assets from continuing operations			871,732
31 December 2014			
Segment revenue	2,288	-	2,288
Segment result	2,288	6,170	8,458
Reconciliation of segment results to group results:			
Unallocated items			(175,788)
Total group results from continuing operations			(167,330)
Segment assets	866,766	380,796	1,247,562
Reconciliation of segment assets to group assets:			
Property, plant & equipment			1,416



**FIRESTRIKE RESOURCES LIMITED**  
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Total group assets from continuing operations	1,248,978
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**NOTE 5: OPERATING SEGMENTS (CONTINUED)**

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Segment results earned by each segment without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

**NOTE 6: CONTINGENT LIABILITIES**

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There has been no change in contingent liabilities since the last annual reporting date.

**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

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A General Meeting of shareholders will be held 29 March 2016 to consider 16 resolutions, including the acquisition of Linius (Aust) Pty Ltd and the changing of the Company's name to Linius Technologies Limited. The Notice of meeting was released to the ASX on 23 February 2016 and was dispatched to shareholders 25 February 2016.

The Company lodged a Prospectus with ASIC on 3 March 2016 to raise a maximum of \$3,500,000 via the issue of 70,000,000 shares at an issue price of \$0.05 per share. The offer closes 30 March 2016 and a copy of the prospectus is available from the Company's website.

There were no other significant events subsequent to the reporting date.

**NOTE 8: FINANCIAL INSTRUMENTS**

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The Group's financial instruments consist of cash and cash equivalents, trade and other receivable, trade and other payable. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value.

**NOTE 9: RELATED PARTIES**

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Arrangements with Directors continue to be in place. For details of these arrangements, refer to the 30 June 2015 annual report.

**DIRECTORS' DECLARATION**

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The Directors of the Company declare that:

1. The financial report and notes, as set out on pages 9 to 17:
  - a. Comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. Give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half year ended on that date.
  
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Paul Lloyd

Dated this 15th day of March 2016

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Firestrike Resources Limited

### **Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Firestrike Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the group's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Firestrike Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**HLB Mann Judd**  
Chartered Accountants



**D I Buckley**  
Partner

**Perth, Western Australia**  
**15 March 2016**