

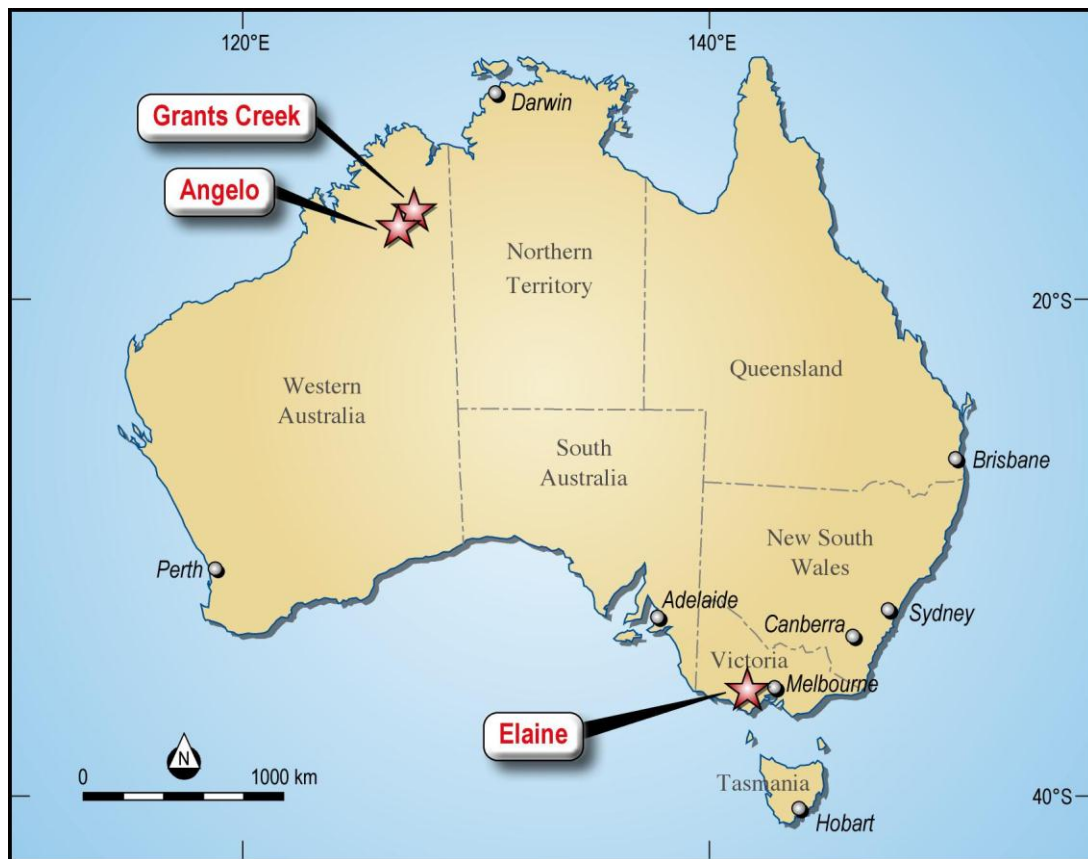


# Quarterly Report

## September 2011

## HIGHLIGHTS

- Successfully completed an Initial Public offering to raise \$3,100,000 by the issue of 15.5 million shares.
- Completed initial field work of selective rock chip grab sampling which reaffirms high grade gold present at Grants Creek.
- Plans to follow up initial work, as the Company continues to meet all statutory requirements required to begin an exploration drilling programme at Grants Creek and Angelo Projects.
- Completed initial compilation of data for the Elaine Project and detailed evaluation is continuing, with a view to defining targets for drill testing in early 2012.
- Continuous review of globally opportunities to identify further projects which may add to the company's current assets and exploration prospects.



**Current project locations**



## CORPORATE

During the period the company completed a successful Initial public Offering of shares in the company to raise 3.1 million dollars for funding exploration on the Grants Creek, Angelo and Elaine Projects.

These funds will also allow the company to continue to identify and evaluate other opportunities and acquisitions, that may lead to increasing the value of the company over time.

The company has a tight capital structure with 31,000,000 shares on issue of which 17,000,000 are quoted on the ASX with the remainder unquoted due to escrow restrictions.

## OPERATIONAL

### **Grants Creek Project P80/1576, 1577, 1578, 1579, 1580, 1582, 1760.**

**(100% Firestrike Resources Limited)**

Analytical results of soil and rock chip samples collected within the project area of Grants Creek have confirmed the presence of high grade gold (greater than 5g/t).

Two of the six rock chip samples (ranging from 0.0 to 33.9 g/t gold) collected from within the project area were from the Star of Kimberley Prospect where 7.8g/t was returned in assay of a sample from the main quartz vein and 33.9/t from material comprising altered rock on the vein contact to country rock. Combined sampling represents approx. 1.5 metres wide interval of vein and wall rock alteration.

In addition 0.46g.t was recorded in a single rock chip from a vein system previously unsampled and to the north of the main system at Moodys/ Perseverance prospects.

The results confirms both the potential for the known vein systems to contain high grade gold and that the spatial distribution of other parallel vein systems throughout the project area is still open.

48 Soil samples also collected peripheral to the historical sampling area support the results of the previous sampling campaigns which had identified a corridor of gold mineralisation above a nominal background of 4 ppb. The corridor runs for over 5 kilometres through the company's leases.

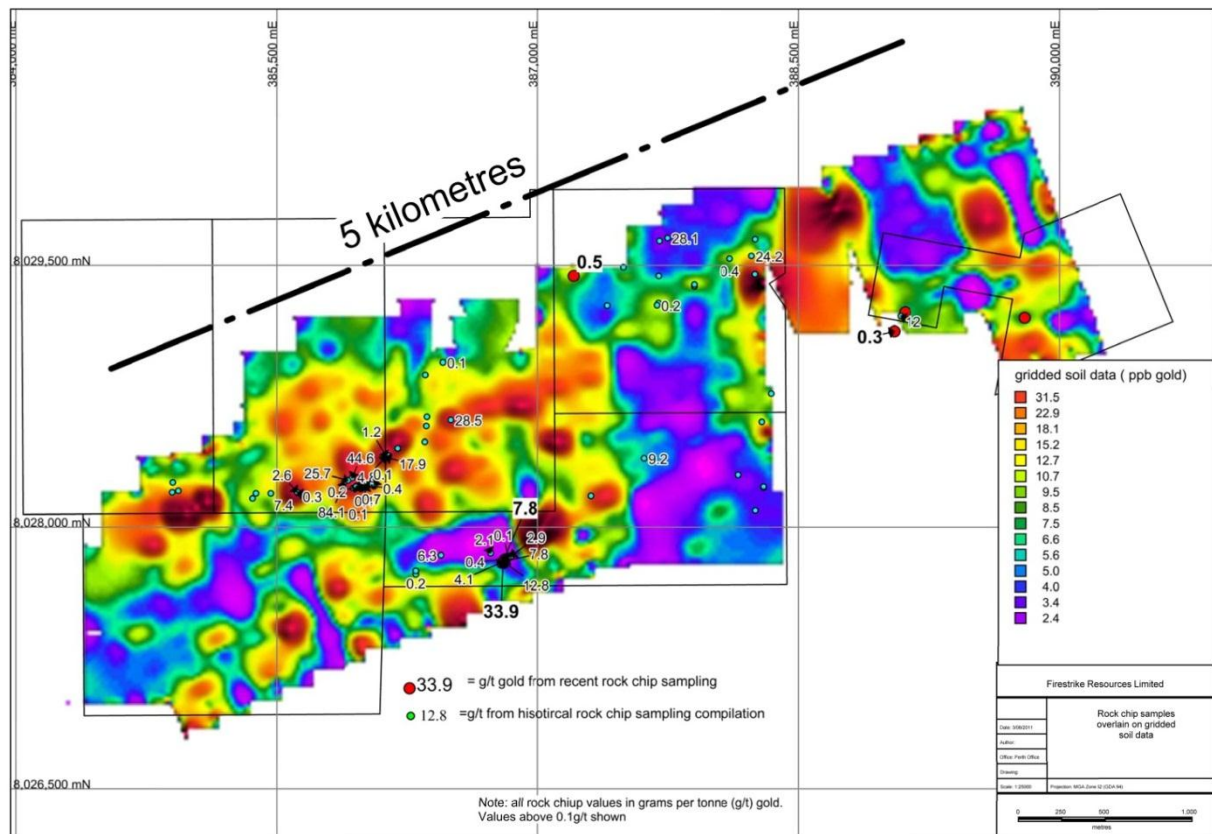
Drilling is proposed and work is underway to follow up on previous explorers and the recent high grade rock chip samples. Currently the company is in the process of completing statutory requirements in preparation for a possible drill programme. The company hopes to complete drilling at both the Grants Creek and Angelo projects contemporaneously to minimise mobilisation and ancillary costs.



Rock chip grab sample table:

SAMPLE	Au Ppm	Ag Ppm	As Ppm	Cu Ppm	Mo Ppm	Pb Ppm	Pb-Rp1 %	W Ppm	Zn Ppm	Easting Metres	Northing metres
37233	0.00	X	7	7	1	3		X	7	389800	8029200
37234	0.03	X	9	108	X	15		X	31	389113	8029232
37235	0.26	3.3	33	846	2	465		X	633	389050	8029122
37236	7.80	39.4	19	1107	1	>12161	2.5	X	1009	386798	8027800
37237	33.90	56.6	46	1657	3	>8273	3.62	2	5935	386799	8027798
37239	0.46	2.8	X	40	X	1139		X	86	386034	8035904

Assaying for gold using aqua regia digest with Atomic Absorption finish; assay for other element using aqua regia digest with Optical Emission spectroscopy finish completed at Genalysis Laboratories, Perth WA. "X" = below detection limits



Note bold large values relate to the sampling table above, smaller values are from historical data.



### **Angelo Project, Halls Creek E80/2707**

(100% Firestrike Resources Limited)

Desk top compilation of the historical data has been provisionally completed on the project in preparation for the commencement of regional exploration drilling. The Company is confident that the soil anomaly identified from the historical data presents a valid exploration target and, coupled with drill results from the previous tenement holders, is now working to finalise the statutory requirements prior to commencing drilling.

The company seeks to have these requirements completed as soon as conveniently possible with a view to drilling prior to the onset of the wet season, however no assurances can be given that third parties responses to notification of access and activity will be in a timely manner as to allow the Company to proceed before the wet season commences.

### **Elaine Project, Ballarat, E5133**

(Firestrike Resources with an Option to acquire 100%)

Data compilation is continuing with a view to developing exploration strategy details due for early 2012.

## **OTHER ACTIVITIES**

The board has been actively involved in reviewing and appraising other global resource projects presented to the Company that were considered to offer the opportunity to grow shareholder wealth.

### **Disclaimer**

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy , (CP) , with over 20 years experience in the mining industry. Mr Holden has sufficient experience, as to qualify as a Competent Person as defined in the 2004 edition of the “Australian Code for Reporting of Mineral Resources and Ore reserves”. Mr Holden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Firestrike Resources Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

30 September 2011

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(62)	(62)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(201)	(201)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	19	19
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(244)</b>	<b>(244)</b>
<b>Cash flows related to investing activities</b>			
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)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(244)</b>	<b>(244)</b>

1.13	Total operating and investing cash flows (brought forward)	(244)	(244)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	63	63
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 – Capital Raising costs	(199)	(199)
	<b>Net financing cash flows</b>	(136)	(136)
	<b>Net increase (decrease) in cash held</b>	(380)	(380)
1.20	Cash at beginning of quarter/year to date	3,182	3,182
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,802	2,802

### 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 \$A'000
1.2 Aggregate amount of payments to the parties included in item 1.2	97
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees and salaries

### 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

The Company issued 2,000,000 shares to Pacrim Energy Limited on settlement of the tenement acquisition agreement dated 2 May 2011. The Company acquired P80/1576, P80/1577, P80/1578, P80/1579, P80/1580, P80/1582, PLA 80/1760 and E 80/2707.

The Company issued 1,000,000 shares to Minico Pty Ltd on satisfaction of the condition of precedent with respect to the option agreement dated 4 May 2011. The Company has been granted an option to acquire Victorian exploration license 5133.

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

Not Applicable

## 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	170
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	<b>320</b>

## 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	2,802	3,182
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,802</b>	<b>3,182</b>





## 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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	31,000,000	17,000,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,500,000	15,500,000	20 cents	20 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	9,500,000 9,500,000		<i>Exercise price</i> 25 cents 50 cents	<i>Expiry date</i> 31 December 2015 31 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## 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.



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Print name: Philip Re

## 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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.