



# Quarterly Report

March 2012

## HIGHLIGHTS

- Exploration drilling set to commence on advanced gold copper project in Utah USA upon completion of the Joint Venture and successful due diligence.
- Drilling preparations for Grants Creek and Angelo Projects, Kimberley region WA underway.
- Positive results from exploration at the Elaine Project in Victoria.

**Figure 1 Current project locations**



Figure 1 . Location maps for Firestrike Projects in Western Australia and in Utah, USA

## CORPORATE

During the quarter, Firestrike Resources Limited (“The company” or “FIE”) has progressed negotiations with Escalante Star LLC (“Escalante”) to acquire up to 80% of the Elephant Canyon gold copper project, Utah USA.

The company is expecting to finalise the JV agreement very shortly and is positioned to immediately start active field exploration including drilling on the first of fourteen targets identified within the project area.

## OPERATIONAL

**Elephant Canyon gold copper Project.** (Potential JV with Escalante Star LLC in which Firestrike Resources Limited can earn up to 80%)

The company is close to completing the joint venture agreement with Escalante Star to earn up to 80% of the equity in the Elephant Canyon gold copper porphyry project in Utah USA. The agreement improves on the initial Letter of Intent with the opportunity for Firestrike to;

- secure an initial 51% of the project by defining 500,000 ounces gold equivalent inferred JORC resource within 4 years;
- Increasing to 65% equity once a 1 million ounce resource is defined;
- Increasing to 80% on completion of a Prefeasibility study provided Firestrike continues to sole fund the project.

In exchange FIE may issue up to 5 million shares in FIE assuming all milestones are met with an initial payment of \$100,000 to the vendors on signing the JV.

This project is considered to have significant potential for gold, copper plus other base and precious metals. It is geologically similar to the Rio Tinto mine at Salt Lake City (Bingham Canyon/ Kenecott) and the closer Tintic mining district where Rio Tinto is also seeking to bring the Andover Ventures Inc, Bill Hill Project into production.

A recent site visit by the Company’s Managing Director confirmed the abundant historical pits and shafts. The visit also confirmed the presence of copper mineralisation in outcrop and some exposure of skarn alteration within limestone intruded by the main quartz monzonite stocks.

The company’s immediate focus is upon a defined fissure zone which is traceable for over 1.2 kilometres by approximately 400 metres wide. The zone has historical mine workings along its strike length and elevated gold in historical rock chip samples collected from the workings.

Details on the geology of the project is available on the company’s web site.

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

(100% Firestrike Resources Limited)

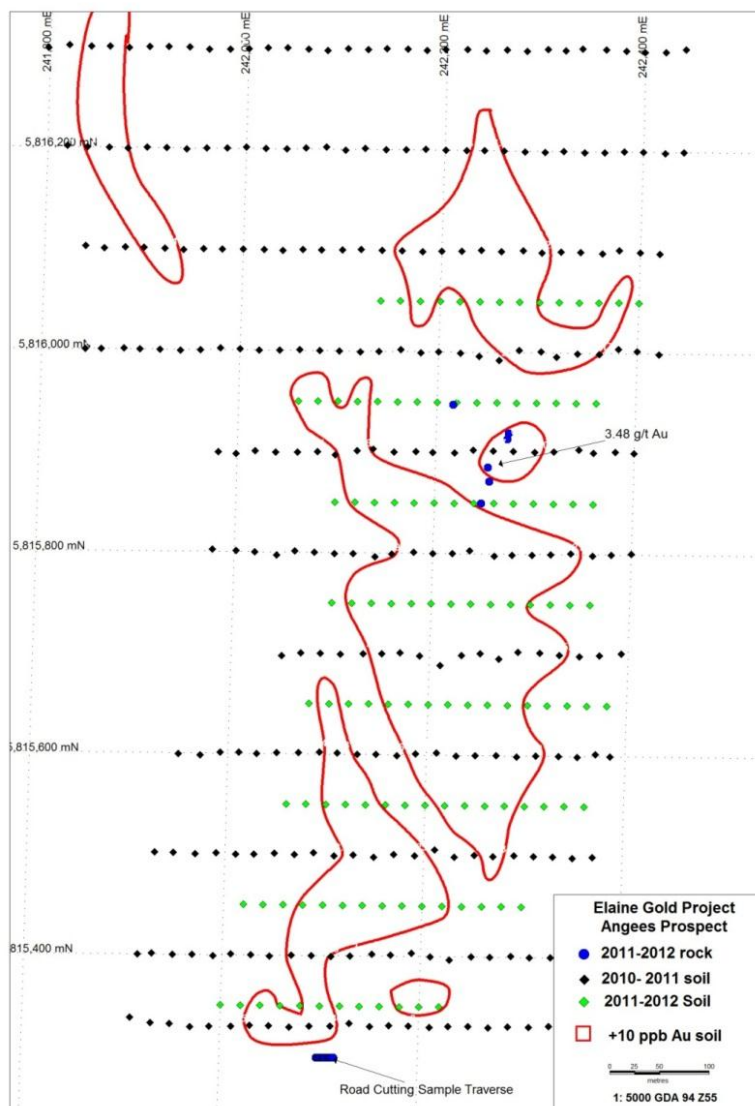
Currently the company is still in the process of completing statutory requirements in preparation for a possible drill programme and is looking to commencing drilling within the first half of 2012

**Angelo Project, Halls Creek E80/2707**  
(100% Firestrike Resources Limited)

In conjunction with the ongoing work for Grants Creek, the Angelo Project is also progressing towards drilling with the anticipation that a Heritage Survey will be completed in time to allow drilling to start within the first half of 2012. Work is progressing on completion of the statutory access requirements and provisional aircore rigs are currently being sought to meet with the company's new timetable.

**Elaine Project, Ballarat, E5133**  
(Firestrike Resources with an Option to acquire 100%)

Whilst the company is focused on completing the Joint Venture on the Elephant Canyon project in USA, recent exploration work on the Elaine project has continued to refine the drill target within the southern area of the tenement. In fill soil sampling has been completed and rock chip sampling along the road cutting where the vein system is exposed has refined targets within this southern area of the tenement.



Gold in soils map, Agnes Prospect, Elaine Project Ballarat Victoria.

## 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 Chartered Professional Member of The Australian Institute of Mining and Metallurgy and a Member of the Australian institute of Geoscientists , 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")

31 March 2012

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(96)	(200)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(40)	(304)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	25	88
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>(111)</b>	<b>(416)</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>(111)</b>	<b>(416)</b>

I.13	Total operating and investing cash flows (brought forward)	(111)	(416)
	<b>Cash flows related to financing activities</b>		
I.14	Proceeds from issues of shares, options, etc.	-	63
I.15	Proceeds from sale of forfeited shares	-	-
I.16	Proceeds from borrowings	-	-
I.17	Repayment of borrowings	-	-
I.18	Dividends paid	-	-
I.19	Other – Capital Raising costs	-	(199)
	<b>Net financing cash flows</b>	-	(136)
	<b>Net increase (decrease) in cash held</b>	(111)	(552)
I.20	Cash at beginning of quarter/year to date	2,741	3,182
I.21	Exchange rate adjustments to item I.20	-	-
I.22	<b>Cash at end of quarter</b>	2,630	2,630

### 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
I.2 Aggregate amount of payments to the parties included in item I.2	74
I.24 Aggregate amount of loans to the parties included in item I.10	-
I.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

Not Applicable

- 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	200
4.2	Development	-
4.3	Production	-
4.4	Administration	100
<b>Total</b>		<b>300</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	68	80
5.2	Deposits at call	2,562	2,661
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>2,630</b>	<b>2,741</b>

**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			
6.2	Interests in mining tenements acquired or increased			



## 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</b> <b>*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				
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.