



# QUARTERLY REPORT

## SEPTEMBER 2012

## HIGHLIGHTS

- High grade gold and copper identified in rock chip samples as pre-cursor to drilling.
- Drilling commences at Elephant Canyon, Utah USA.

Figure 1 Current Utah project location.



## OPERATIONAL

**Elephant Canyon Gold Copper Project** (JV with Escalante Star LLC in which Firestrike Resources Limited can earn up to 80%)

Firestrike Resources Limited has released the results from 154 rock chip and grab samples taken to test and identify possible mineralised rocks, has confirmed the presence of gold and copper. (ASX release dated 2<sup>nd</sup> August 2012).

The samples were taken from outcrop and float throughout the project area including the drill target area of the Coronado fissure zone. (See figure 1 attached). The fissure zone at the Coronado prospect is traceable for over 1.2 kilometres by approximately 400 metres wide and has historical mine workings marking its strike length to date.

The figures show the results of the sampling with the sample locations overlain on aerial photography.

Sample points are marked as black dots. Copper values over 2% labelled and Gold values over 2 g/t labelled.

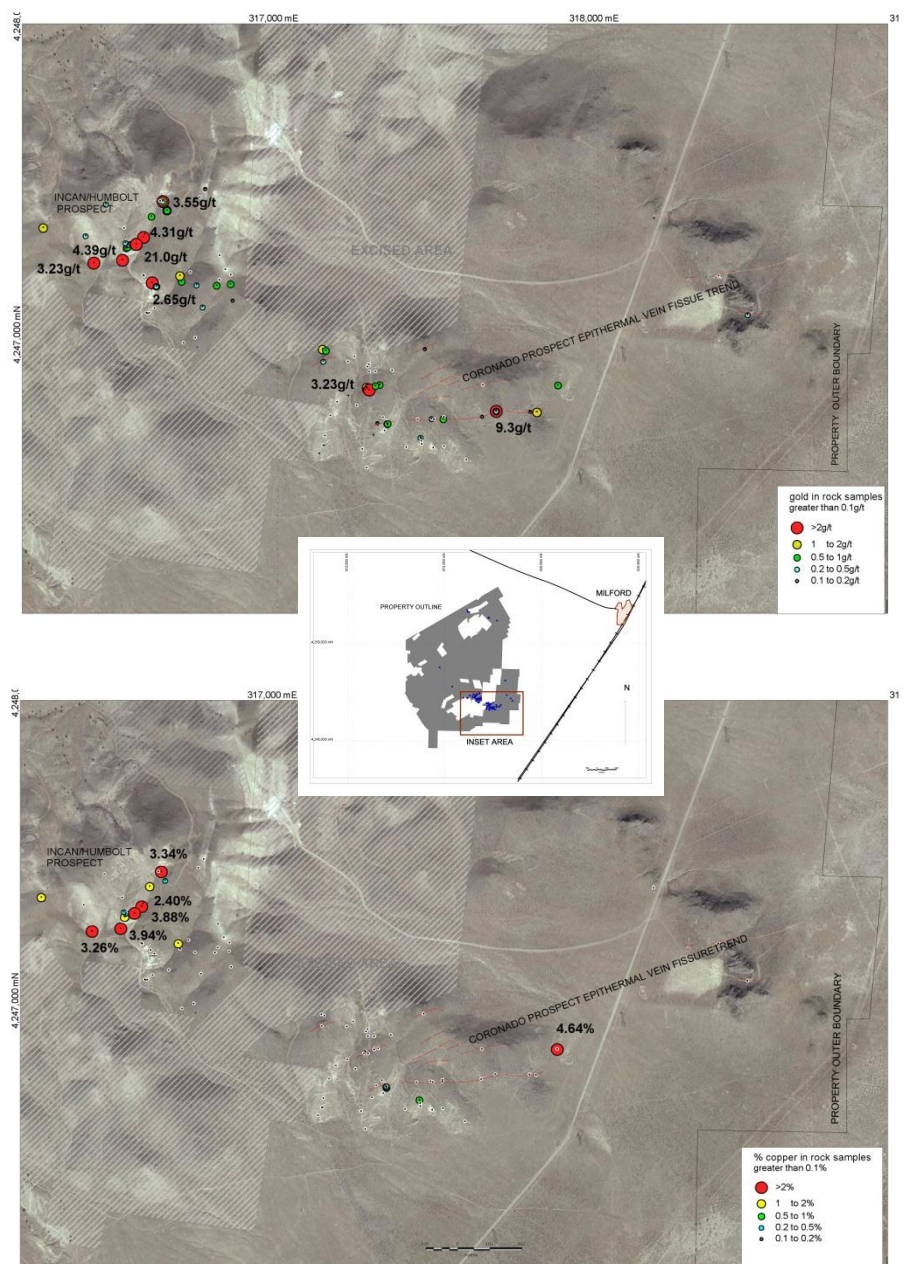
The results have confirmed that elevated gold and copper is present within the zone.

A maximum value of 9.3 g/t gold with an overall average value of 0.4 g/t was returned.

Copper in samples taken from a second highly prospective target, (the Incan/Humbolt prospect) returned a cluster of results above 1% copper with a maximum value of 3.94% and an average of 0.5% from both skarn and mineralised porphyry samples. Gold samples averaged 0.93 g/t with a maximum value of 21.0 g/t.

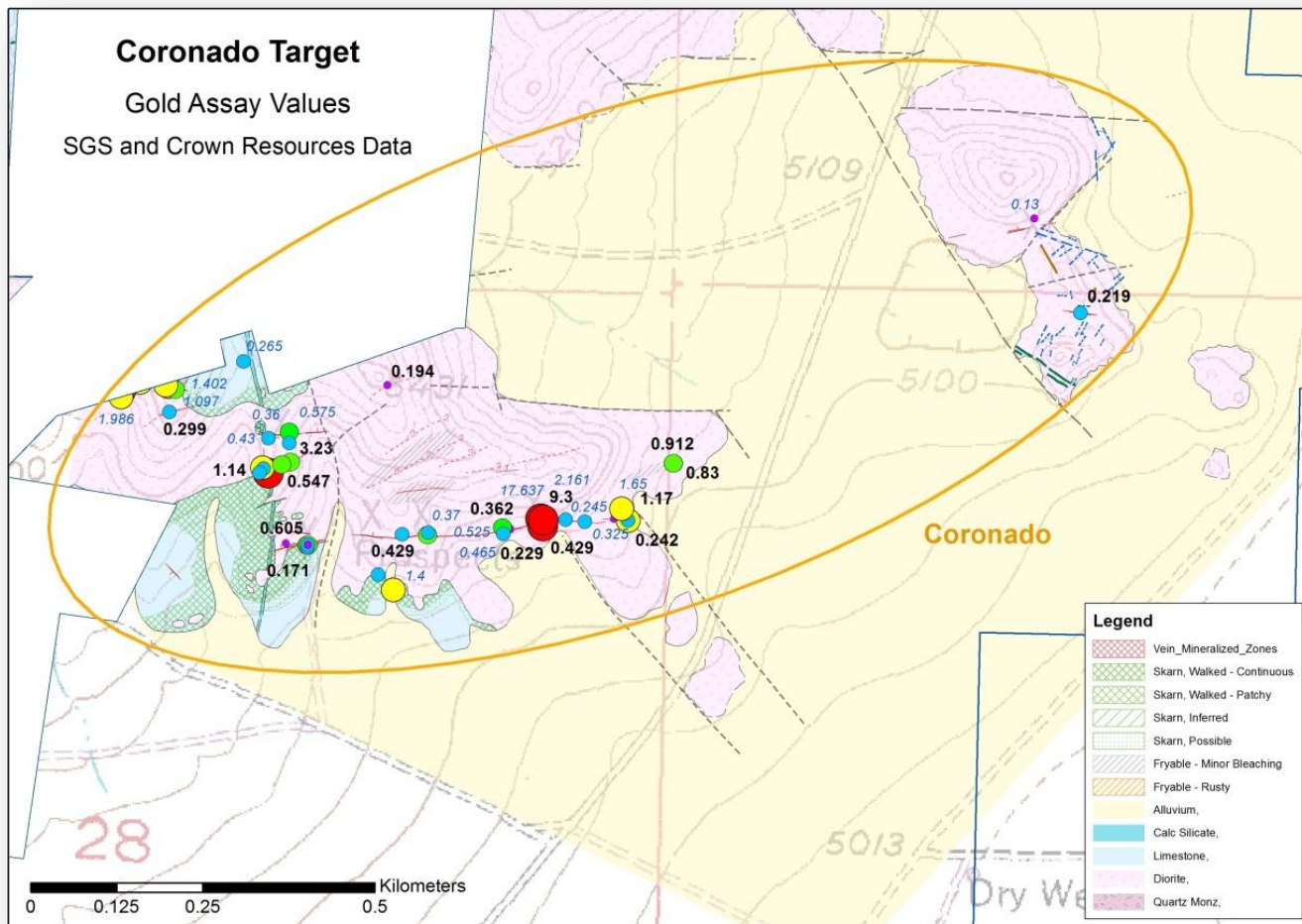
The Company has gained formal approval from the Bureau of Land Management to proceed to drilling.

Drilling commenced early September with a view to completing up to 4,000 metres using reverse circulation drilling.



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 and outcrop provides a strong indication of gold in an epithermal system at or near surface.



Sample values showing gold in grams per tonne. Values in bold black from 2012 analyses, with the remaining values in blue italics taken from Crown Resources data 1991-92. Orange outline is the Coronado Target; Blue line is current property outline.

### About Utah

Utah is understood by the Company to be a “mine friendly” state with no state royalties and minimum statutory obligations imposed upon exploration and mining. The state has significant mining activity from gold and copper through uranium and fossil fuels including coal, oil and gas production. (See web site for state map depicting the mineral resources of Utah).

The Project area itself is close to state highways and within 2 kilometres of the township of Milford which is a major railhead for the Union Pacific Railway. In terms of infrastructure the property has electrical power and gas supply lines passing through the far eastern margin and is less than four hours travel by road from the state's capital Salt Lake City.

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

**(100% Firestrike Resources Limited)**

The Company is still in the process of completing statutory requirements in preparation for a possible drill programme and has plans to commence drilling once the statutory Heritage requirements are completed.

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

**(100% Firestrike Resources Limited)**

In conjunction with the ongoing work for Grants Creek, the Angelo Project is still considered suitable for first phase RAB/Aircore drilling once all Heritage issues are successfully resolved. 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%)**

The Company remains committed to exploration at the Elephant Canyon project, and has withdrawn from the Option agreement with Minico Pty Ltd for the acquisition of the Elaine Project in Victoria to remain focused in its current USA exploration. This will allow the Company to continue to concentrate primarily on its USA project and on plans to complete initial drilling on the high grade gold projects in Western Australia.

#### **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 the Managing Director of the Company. Mr Holden is a Chartered Professional Member of The Australian Institute of Mining and Metallurgy, with over 25 years' experience in the mining industry. Mr Holden has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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 2012

### 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	(445)	(445)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(133)	(133)
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 - tenement rehabilitation bond (refundable)	(44)	(44)
<b>Net Operating Cash Flows</b>		<b>(603)</b>	<b>(603)</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	-	-
<b>Net investing cash flows</b>		<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(603)</b>	<b>(603)</b>

1.13	Total operating and investing cash flows (brought forward)	(603)	(603)
	<b>Cash flows related to financing activities</b>		
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 – Capital Raising costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(603)	(603)
1.20	Cash at beginning of quarter/year to date	2,309	2,309
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1,706	1,706

### 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	71
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

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	400
4.2	Development	-
4.3	Production	-
4.4	Administration	130
<b>Total</b>		<b>530</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	646	128
5.2	Deposits at call	1,060	2,181
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>1,706</b>	<b>2,309</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 securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	32,000,000	22,400,000		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	9,500,000 9,500,000		Exercise price 25 cents 50 cents	Expiry date 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> (totals only)				
7.12 <b>Unsecured notes</b> (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 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.