



Half-Year Report

31 December 2011

HALF-YEAR REPORT TO 31 DECEMBER 2011

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HALF-YEAR REPORT TO 31 DECEMBER 2011

CORPORATE DIRECTORY

This half-year report covers Firestrike Resources Limited (“the Company”) during the half-year ended 31 December 2011. The Company’s functional and presentation currency is AUD (\$).

OFFICERS

Roger Steinepreis	(Non-Executive Chairman)
David Holden	(Executive Director)
Paul Lloyd	(Non-Executive Director)
Philip Re	(Company Secretary)

REGISTERED OFFICE

C/ Regency Corporate Pty Ltd
Suite 1 GF, 437 Roberts Road
SUBIACO WA 6008

SOLICITORS

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Lawyers and Consultants
Level 4, Next Building
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PERTH WA 6000

AUDITORS

HLB Mann Judd
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PERTH WA 6000

SHARE REGISTRY

Advanced Share Registry Ltd
Unit 2, 150 Stirling Highway
NEDLANDS WA 6009
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Facsimile: (08) 9389 7871

PRINCIPAL PLACE OF BUSINESS

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WEBSITE

www.firestrike.com.au

HALF-YEAR REPORT TO 31 DECEMBER 2011

DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2011.

Directors

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

Roger Steinepreis	Non-Executive Chairman
David Holden	Managing Director
Paul Lloyd	Non-Executive Director

Company Secretary

Philip Re held the position of Company Secretary during the financial period.

Corporate Activity

During the period the Company completed a successful Initial Public Offering of shares in the Company to raise \$3.1 million 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.

Upon listing, the Company finalised settlement of the tenement acquisition agreement with Pacrim Energy Limited to acquire 8 prospecting licenses in Western Australia by issuing 2,000,000 shares in Firestrike valued at \$0.20 each to Pacrim on 5 July 2011.

In addition, the Company satisfied the conditions precedent in respect of an option to acquire exploration tenements in Victoria from Minico Pty Ltd, which required Firestrike to issue 1,000,000 shares valued at \$0.20 each to Minico on 5 July 2011. Firestrike may exercise this option on or before 11 May 2013 by paying \$400,000 to Minico.

In December 2011, the Company signed a Letter of Intent to enter into a joint venture with Escalante Star LLC to explore and develop a polymetallic (precious metals and base metals)

HALF-YEAR REPORT TO 31 DECEMBER 2011

project in Utah, United States of America. The Company is to complete a due diligence evaluation of the project prior to completion of the JV Agreement and is still to negotiate final terms of participation in the Joint Venture. The due diligence and subsequent Joint Venture Agreement are due for completion in early March 2012.

Operations

Elephant Canyon

(Firestrike Resources Limited to earn up to 80%)

Firestrike Resources Limited has signed a Letter of Intent (“LOI”) with Escalante Star LLC to acquire a majority interest in Escalante Star’s Elephant Canyon copper, silver, gold and polymetallic porphyry project in Utah through a Joint Venture.

To the north of the project area, and in a similar geological setting, is the Bingham Canyon mine. This mine, operated by Rio Tinto, is reported to generate over 300,000 tons of copper and 400,000 ounces of gold every year. It is one of the largest copper mines in the world¹.

The Project is considered by the Company to meet its strategic development plans with strong geological evidence of extensive mineralisation observed at numerous workings, shafts and historical production, dating from the 1870’s through to the 1960’s.

Escalante Star LLC have been carrying out geological mapping and sampling of the workings since 2008 and exploration is now entering the phase of development where drilling is required. They will provide the technical expertise on location, with geologists and land managers based in the area of the project who have a long history of exploration and development in the Beaver/Milford region.

¹ www.kennecott.com

HALF-YEAR REPORT TO 31 DECEMBER 2011

Under the terms of the LOI, (which is subject to a satisfactory due diligence investigation anticipated for completion before March 2012), the Company is to acquire up to 80% equity in the project by the completion of set milestones. Terms of the LOI include an initial minimum expenditure on the project of \$2 million and the completion of resource estimations in accordance with the JORC code and guidelines. The current vendors of the project will be free carried until the completion of a Bankable Feasibility Study (“BFS”).

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 during the period have confirmed the presence of high grade gold (greater than 5 g/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 7.8 g/t was returned in assay of a sample from the main quartz vein and 33.9 g/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.

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.

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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.

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. A second phase of infill soil sampling is proposed for early in 2012 following a site inspection by Firestrike Resources Limited senior technical staff in late 2011.

Competent Persons Statement

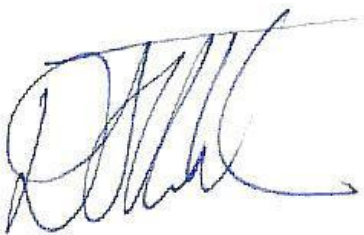
The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr D. J. Holden, who is a Member of The Australian Institute of Mining and Metallurgy , (CP) , with over 20 years experience in the mining industry. Mr Holden 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.

HALF-YEAR REPORT TO 31 DECEMBER 2011

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2011.

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



Director

David Holden

Dated this 14 day of March 2012

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Firestrike Resources Limited for the half-year ended 31 December 2011, 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
14 March 2012

L DI GIALLONARDO
Partner, HLB Mann Judd

HALF-YEAR REPORT TO 31 DECEMBER 2011

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31.12.2011
	\$
Revenue	65,552
Administration expense	(59,137)
Employee benefit expense	(53,700)
Financial administration and compliance expenses	(44,339)
Legal expenses	(186)
Exploration expenditures written off	(440)
Travel and accommodation expense	(32,878)
Other expenses	(43,675)
Loss before income tax	(168,803)
Income tax expense	-
Loss for the period	(168,803)
Other comprehensive income/loss	-
Total comprehensive loss for the period	(168,803)
Basic loss per share (cents per share)	(0.04)

The accompanying notes form part of this financial report.

HALF-YEAR REPORT TO 31 DECEMBER 2011

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	31.12.2011	30.06.2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		2,741,650	3,181,884
Trade and other receivables		22,397	20,212
Other assets		35,433	254,383
TOTAL CURRENT ASSETS		2,799,480	3,456,479
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	2	783,180	91,686
TOTAL NON-CURRENT ASSETS		783,180	91,686
TOTAL ASSETS		3,582,660	3,548,165
CURRENT LIABILITIES			
Trade and other payables		19,879	228,604
Other liabilities		-	3,020,000
TOTAL CURRENT LIABILITIES		19,879	3,248,604
TOTAL LIABILITIES		19,879	3,248,604
NET ASSETS		3,562,781	299,561
EQUITY			
Issued capital	3	3,741,523	309,500
Accumulated losses		(178,742)	(9,939)
TOTAL EQUITY		3,562,781	299,561

The accompanying notes form part of this financial report.

HALF-YEAR REPORT TO 31 DECEMBER 2011

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2011	309,500	(9,939)	299,561
Loss for the period	-	(168,803)	(168,803)
Other comprehensive income/loss	-	-	-
Total comprehensive loss for period	-	(168,803)	(168,803)
Transaction with owners recorded directly in equity			
Shares issued	3,700,000	-	3,700,000
Capital raising costs	(267,977)	-	(267,977)
Balance at 31 December 2011	3,741,523	(178,742)	3,562,781

The accompanying notes form part of this financial report.

HALF-YEAR REPORT TO 31 DECEMBER 2011

CONDENSED STATEMENT OF CASH FLOWS FOR HALF-YEAR ENDED 31 DECEMBER 2011

	31.12.2011
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(265,317)
Interest received	64,025
Net cash used in operating activities	(201,292)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment for exploration expenditure	(102,942)
Net cash used in investing activities	(102,942)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from share issue	63,000
Payments relating to share issue	(199,000)
Net cash used in financing activities	(136,000)
Net decrease in cash held	(440,234)
Cash at beginning of period	3,181,884
Cash at end of period	2,741,650

The accompanying notes form part of this financial report.

HALF-YEAR REPORT TO 31 DECEMBER 2011

NOTES TO THE FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim financial statements are a general purpose financial report 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 Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 30 June 2011, the Company's IPO replacement prospectus dated 26 May 2011 and any public announcements made by Firestrike Resources Limited 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. As the Company was registered on 10 March 2011, this half-year financial report is the Company's first half-year financial report, and as such, no comparatives are applicable for the statement of comprehensive income, condensed statement of changes in equity or the condensed statement of cash flows.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. 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.

HALF-YEAR REPORT TO 31 DECEMBER 2011

NOTES TO THE FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Except as described below, in preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company financial report for the period ended 30 June 2011.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2011, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. 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 its business and, therefore, no change is necessary to Company accounting policies.

HALF-YEAR REPORT TO 31 DECEMBER 2011

NOTES TO THE FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 2: EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of areas of interest in the following phases:

	31.12.2011	30.06.2011
	\$	\$
Exploration and evaluation phase – at cost		
Balance at the beginning of period	91,686	-
Expenditure incurred	691,934	91,686
	<u>783,620</u>	<u>91,686</u>
Expenditure written off	(440)	-
Total exploration and evaluation expenditure	<u>783,180</u>	<u>91,686</u>

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

NOTE 3: ISSUED CAPITAL

	31.12.2011	30.06.2011
	\$	\$
Ordinary Shares		
Issued and fully paid	<u>3,741,523</u>	<u>309,500</u>

HALF-YEAR REPORT TO 31 DECEMBER 2011

NOTES TO THE FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 3: ISSUED CAPITAL (CONTINUED)

Movement in ordinary shares on issue

	31.12.2011	30.06.2011	31.12.2011	30.06.2011
	No.	No.	\$	\$
At start of period	12,500,000	-	309,500	-
Share issue (*)	18,500,000	12,500,000	3,700,000	309,500
Share issue costs	-	-	(267,977)	-
At the end of period	31,000,000	12,500,000	3,741,523	309,500

(*)During the half-year reporting period, the Company successfully listed on the ASX on 26 July 2011, following the issue of 15,500,000 shares at an issue price of \$0.20 each to raise \$3,100,000 before raising costs.

Upon listing, the Company finalised settlement of the tenement acquisition agreement with Pacrim Energy Limited to acquire 6 Prospecting licenses in Western Australia by issuing 2,000,000 shares in Firestrike valued at \$0.20 each to Pacrim on 5 July 2011.

In addition, the Company satisfied the conditions precedent in respect of an option to acquire exploration tenements in Victoria from Minico Pty Ltd, which required Firestrike to issue 1,000,000 shares valued at \$0.20 each. Firestrike may exercise this option on or before 11 May 2013 by paying \$400,000 to Minico.

Options on issue at 31 December 2011

	No.
At 1 July 2011	19,000,000
At 31 December 2011	19,000,000

NOTE 4: OPERATING SEGMENTS

The Company is not of a size and level of activity that requires operating segment based internal reports.

The Company is currently operating in one geographic region being Australia.

HALF-YEAR REPORT TO 31 DECEMBER 2011

NOTES TO THE FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 5: CONTINGENT LIABILITIES

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

NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

On 10 January 2012, Firestrike announced the agreement with Escalante Star LLC to acquire a majority interest in Escalante Star's Elephant Canyon copper, silver, gold and polymetallic project in Utah.

Subject to a satisfactory due diligence investigation, the Company is to acquire 80% equity in the project by the completion of set milestones.

The terms of the Letter of Intent include an initial minimum expenditure on the project of \$2 million and the completion of resource estimations in accordance with the JORC code and guidelines. The current vendors of the project will be free carried until the completion of a Bankable Feasibility Study ("BFS").

Firestrike will also award the vendors up to 5 million shares based upon the project meeting the milestones. Initially 1 million will be awarded on signing a formal Joint Venture Agreement; thereafter 1 million awarded on definition of 500,000 ounces in inferred resources (gold equivalence); 1 million awarded on definition of 1,000,000 ounces in inferred resources (gold equivalence); and 2 million shares on a positive outcome to an independent pre-feasibility study prior to commencement of the BFS.

Other than the matters mentioned above, there were no other significant events subsequent to reporting date, requiring disclosure in this half-year financial report.

HALF-YEAR REPORT TO 31 DECEMBER 2011

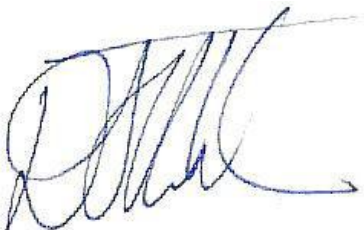
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial report and notes, as set out on pages 10 to 18
 - a. Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. Give a true and fair view of the Company's financial position as at 31 December 2011 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.



David Holden

Dated this 14 day of March 2012

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Firestrike Resources Limited

Report on the Interim Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Firestrike Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 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*.

Matters relating to the electronic presentation of the reviewed half-year financial report.

This review report relates to the half-year financial report of the company for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

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 company's financial position as at 31 December 2011 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

HLB MANN JUDD
Chartered Accountants

L Di Giallonardo

Perth, Western Australia
14 March 2012

L DI GIALONARDO
Partner