Firestrike resources limited

ACN 149 796 332

AND ITS CONTROLLED ENTITY

ANNUAL REPORT

YEAR ENDED 30 JUNE 2012

ANNUAL REPORT

Firestrike Resources Limited
ACN 149 796 332

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ANNUAL REPORT

Firestrike Resources Limited
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CORPORATE DIRECTORY

This annual report covers Firestrike Resources Limited and its controlled entity ("the Consolidated Group" or "Group") during the year ended 30 June 2012. The functional and presentation currency of the Consolidated Group is Australian dollars.

OFFICERS	Roger Steinepreis David Holden Paul Lloyd Philip Re	(Non-Executive Chairman) (Managing Director) (Non-Executive Director) (Company Secretary)
REGISTERED OFFICE	C/Regency Corporate Pty Ltd Suite 1, GF, 437 Roberts Road SUBIACO WA 6008	
SOLICITORS	Steinepreis Paganin Lawyers and Consultants Level 4, The Read Buildings 16 Milligan Street PERTH WA 6000	
AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street PERTH WA 6000	
SHARE REGISTRY	Advanced Share Registry Ltd Unit 2, 150 Stirling Highway NEDLANDS WA 6009 Telephone: (08) 9389 8033 Facsimile: (08) 9389 7871	
PRINCIPAL PLACE OF BUSINESS	C/Regency Corporate Pty Ltd Suite 1, GF, 437 Roberts Road SUBIACO WA 6008 Telephone: (08) 9476 9203 Facsimile: (08) 9382 1122	
WEBSITE	www.firestrike.com.au	
ASX CODE	FIE	

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

I have great pleasure in presenting to you the second Annual Report for Firestrike Resources Limited after what has been a very exciting start for the Company.

In May this year (being listed for less than 10 months) the Company successfully negotiated and established a Joint Venture with Escalante Star LLC to develop their Elephant Canyon copper-gold property in Utah USA.

The property is considered to be a valid advanced exploration project and Firestrike plans to accelerate exploration activities for the remainder of 2012.

The project is thought to be located in the same geological domain as the massive Bingham Canyon, which is in a similar tectonic setting and in similar rocks to Elephant Canyon.

The Company is hopeful of a significant discovery and since the completion of the JV, it has completed verification of the historical results and already commenced reverse circulation drilling on one of six well defined targets. This shows how much can be achieved in such a short space of time.

Elephant Canyon is seen by the Company not only as a fast track to dramatically improve the market capitalisation of the Company from fledgling to proven explorer but also will open the door to other projects in a country where infrastructure is well developed, mining is well supported, the exchange rate is favourable and some of the biggest deposits in the world are located.

To date the Company has openly and warmly embraced the people of Utah, and has developed some very strong friendships in the United States which will help us forge ahead with our activities.

The Company's development efforts have been driven by a small but very committed and competent team from the office in Perth under the guidance of the Managing Director David Holden.

I would like to take this opportunity to congratulate the team on the successes to date and I am confident that their continued work and professionalism will result in further successes.

So it is on behalf of your Directors that I present to you the report on the Consolidated Group and its controlled entity for the financial year ended 30 June 2012.

DIRECTORS' REPORT

Directors

The Directors in office during the period were:

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

All Directors have been in office since the start of the financial year to the date of this report.

David Holden
Managing Director

Company Secretary

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

Principal Activities

The Company was incorporated on 10 March 2011.

The Company ("Firestrike" ASX: FIE) successfully listed on the ASX on 26 July 2011 after completing a capital raising under a prospectus by issuing 15,500,000 shares at $0.20 to raise $3,100,000.

Firestrike is a gold and base metal exploration company. The Company's vision is to maximise shareholder wealth through successful exploration, namely the discovery and subsequent definition of economic resources.

The Company has exploration activities currently running in both Australia and the United States of America.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Elephant Canyon Copper - Gold Project (51% FIE in JV with Escalante Star LLC in which Firestrike Resources Limited can earn up to 80%)

Firestrike Resources has entered into a Joint Venture with Escalante Star LLC to develop the Elephant Canyon copper – gold project in Utah USA.

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

Escalante Star LLC, as the previous owner, has 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.

The Company may acquire up to 80% equity in the project by the completion of set milestones.

In addition to funding the Joint Venture, Firestrike will also issue the vendors up to 7 million shares based upon the project meeting the following milestones:

- Initially US$100,000 was paid and 1 million shares were issued on signing a formal Joint Venture Agreement;
- 2 million shares will be issued on definition of 500,000 ounces of inferred resources (gold equivalence);
- 2 million shares will be issued on definition of 1,000,000 ounces of inferred resources (gold equivalence);
- 2 million shares will be issued on a positive outcome to an independent pre-feasibility study prior to commencement of the Bankable Feasibility Study.

ABOUT THE PROJECT

The Elephant Canyon Project is within the Beaver County and topographically is a canyon within the Star Range.

This mineralisation is within one of three well defined mineral fields with the other two as hosts to the Bingham mine and the Tintic mining district respectively. (See figure 5). The Bingham Copper mine has produced substantial gold (over 2.7 million ounces) and silver (272 million ounces), as well as 127,000 tons of copper; 114 million tons of lead and 225,000 tons of zinc over its 100 year history of development. The mine is currently owned and operated by Rio Tinto and is set to continue major production for the foreseeable future.

The local geology is a sequence of sedimentary rocks over 6,000 metres in thickness and ranging in age from the Devonian to Jurassic. Younger Tertiary rocks intrude and overlie the older sequence. Mineralisation is seen at a number of horizons within the stratigraphic column.

DIRECTORS' REPORT

Mineralisation, as skarn and epithermal veins, is seen throughout the sequence of Paleozoic to Mesozoic units present in the Star Range, but is especially important within the Devonian through Permian age limestones. Zones controlled by primary depositional environments in the Permian Kaibab Limestone host important deposits within the Project.

The style of mineralisation throughout the Project area is interpreted to be porphyry related in genesis, with gold, silver, copper, lead, zinc, and molybdenum present. Within the field area, porphyry bodies are exposed at surface. In particular, the Vicksburg stock appears to be ringed with a zone of silica breccia containing gold and silver mineralisation. The core of the area is marked by a strong magnetic anomaly interpreted to indicate a large deep seated porphyry system, which so far remains untested.

Multiple episodes of structural deformation in the area, ranging from approximately 80 to 10 million years ago, have further controlled the influence of intrusive rocks and subsequent fissure/vein development.

The area of the current claims encompasses a number of historical mines with waste dumps, sporadically active from the 1870's to the 1960's. Exploration and production was hampered by lower commodity prices of the times and a lack of consolidation of mining claims held by multiple owners. With a strong metals price today, and the vendor's ability to consolidate claims, the project has become a viable exploration proposition.

Nearby, the former Western Utah Copper Corporation built new mill facilities in 2009 for their mine properties to the north of the Elephant Canyon Project. Recently, the property has changed owners and is seeking to re-establish production in the coming months. The current owners report over 600,000 pounds of copper alone remaining. As this mill is approximately 10 kilometres from the existing claims owned by FireStar LLC, synergies exist with this infrastructure. The Elephant Canyon Project is also adjacent to a main highway and the Union Pacific railway with heavy load handling facilities at Milford some 6 kilometres from the mineral claims area.

Over 154 rock surface samples have been collected recently from the JV area and results have provided confirmation of gold, silver, and copper present in the epithermal fissure zone system of the Coronado Target.

In addition, copper is present from outcrop samples taken from other target areas, including mineralised skarn and porphyry samples.

DIRECTORS' REPORT

Samples were collected from outcrop, dumps, or as grab samples. The metals analyses are summarised below:

Number of samples taken	Prospect	Metal	Minimum value	Maximum value	Average
61	Incan	Gold	2ppb	21 g/t	0.93 g/t
		Copper	8ppm	3.94%	0.53%
83	Coronado	Gold	2ppb	9.3 g/t	0.37 g/t
		Copper	6ppm	4.64%	0.10%
10	Other prospects	Gold	6ppb	2.96 g/t	0.23 g/t
		Copper	2ppm	0.08%	0.02%

Table 1. Assay values from SGS analytical labs, 2012, for selected metals on the Elephant Canyon Project. Note that total samples for each target listed include host rocks, in addition to mineralised samples, in the minimum and average values. Additional sample values are available from other sources.

DIRECTORS' REPORT

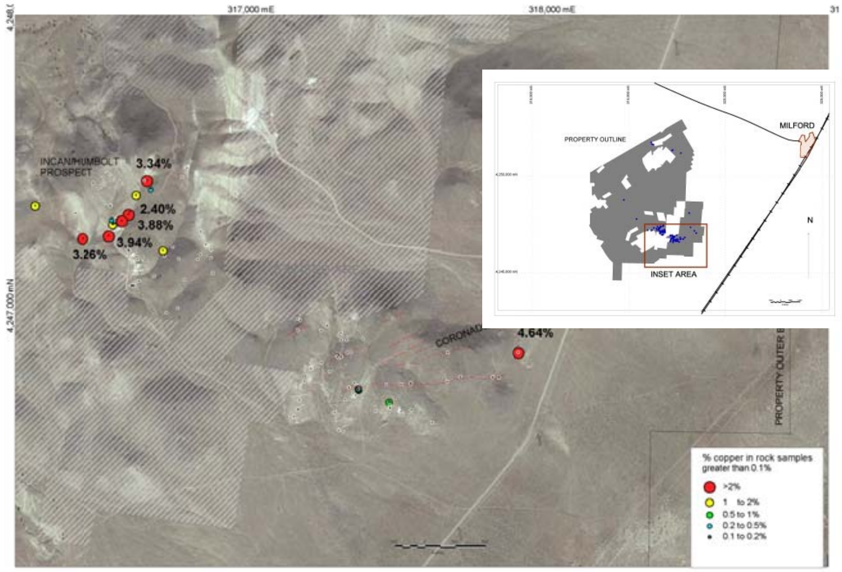

Figure 1. Sample locations overlain on aerial photography. Sample point marked as black dot. Copper values over 2% are labelled.

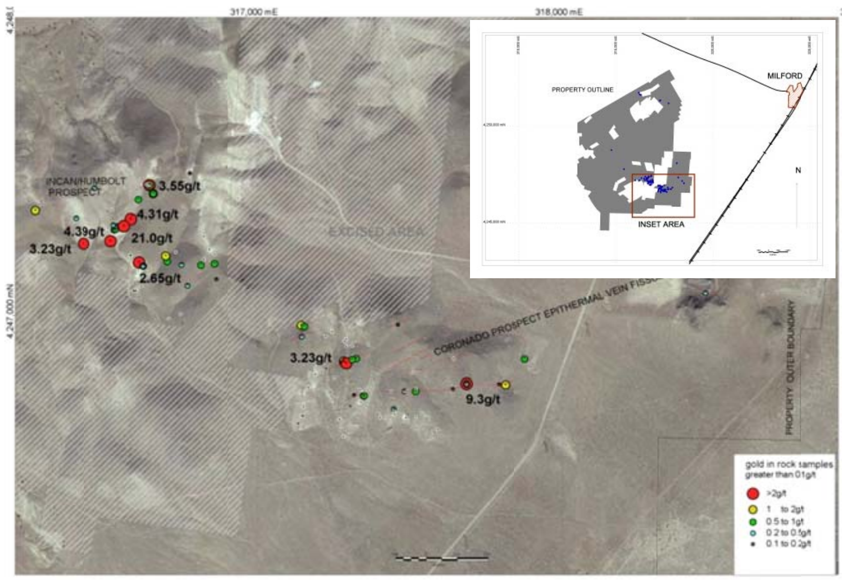

Figure 2. Sample locations overlain on aerial photography. Sample point marked as black dot. Gold values over 2 g/t are labelled.

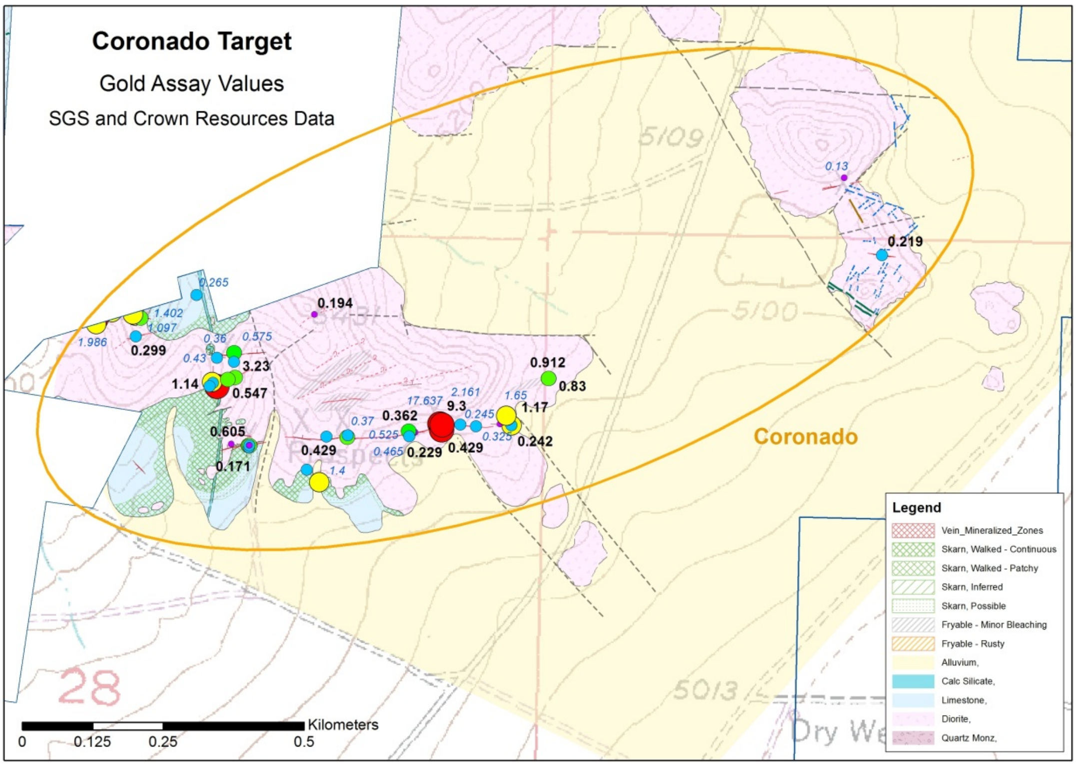

Figure 3. Sample values showing gold in grams per tonne. Values in bold black from 2012 SGS analyses, with the remaining values in blue italics taken from Crown Resources data 1991-92. Orange outline is the Coronado Target; Blue line is current property outline.

The analyses included pathfinder and trace elements for a further 62 elements in addition to the gold, silver, and copper analyses considered as the primary metals under evaluation on the property.

Sample preparation and analytical technique are detailed in the Company's release dated August 2nd 2012.

An additional 33 samples were sent to SGS laboratories in Vancouver for whole rock analysis to assist in further geological research into the style of mineralisation, alteration, and host rock identification. Work on understanding the implications of these chemical studies is ongoing.

DIRECTORS' REPORT

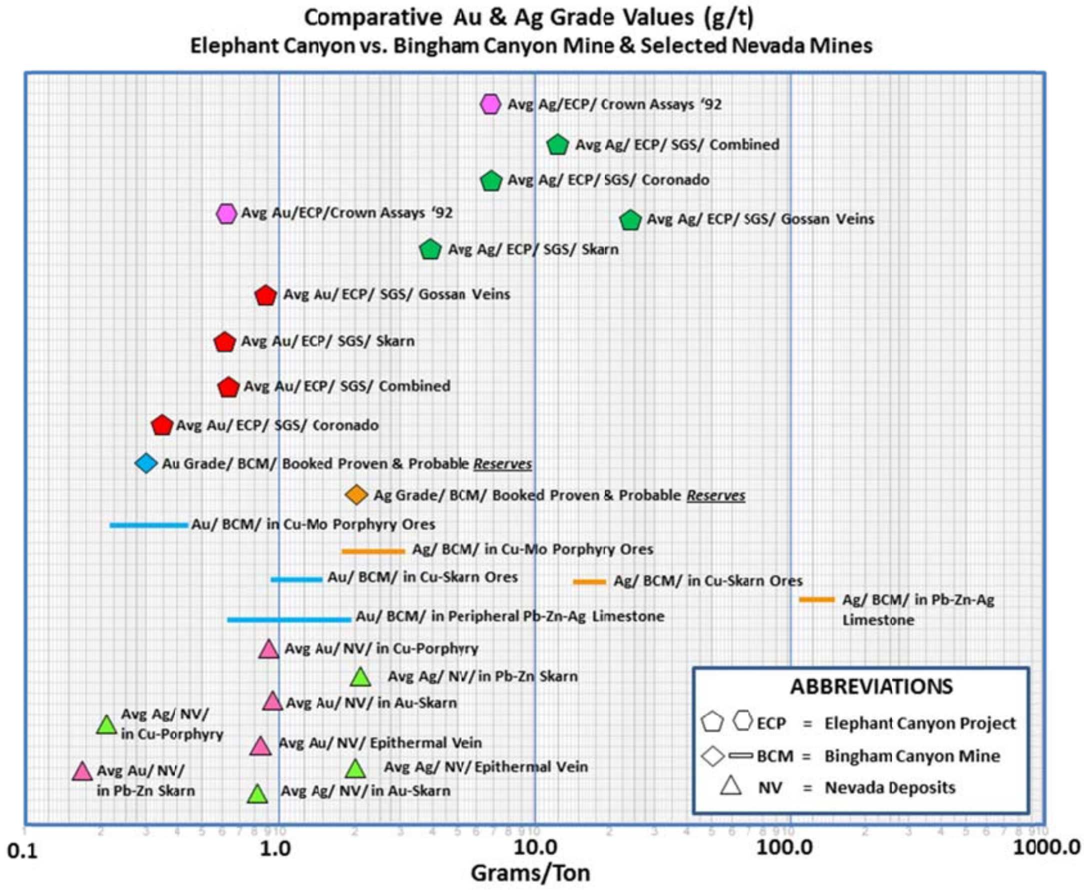

Figure 4.
Comparative plot of the Elephant Canyon 2012 rock samples (SGS) gold and silver assays vs. Bingham Canyon Mine and selected Nevada "whole deposit" grade – tonnage models. Where grade ranges were available they are shown as bars.

The initial programme of up to approximately 4,000 metres will be completed 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.

DIRECTORS' REPORT

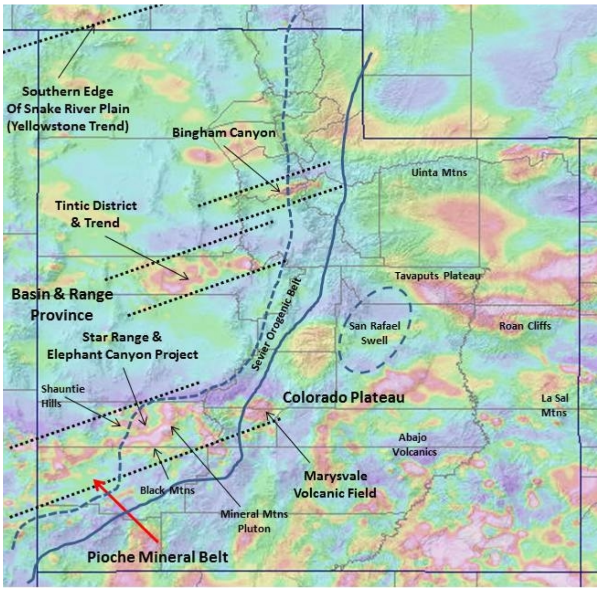

Figure 5. Total magnetic intensity image showing Bingham Canyon, Tintic Mining District, and Pioche Mineral Belt, home of the Star Range and Elephant Canyon Project.

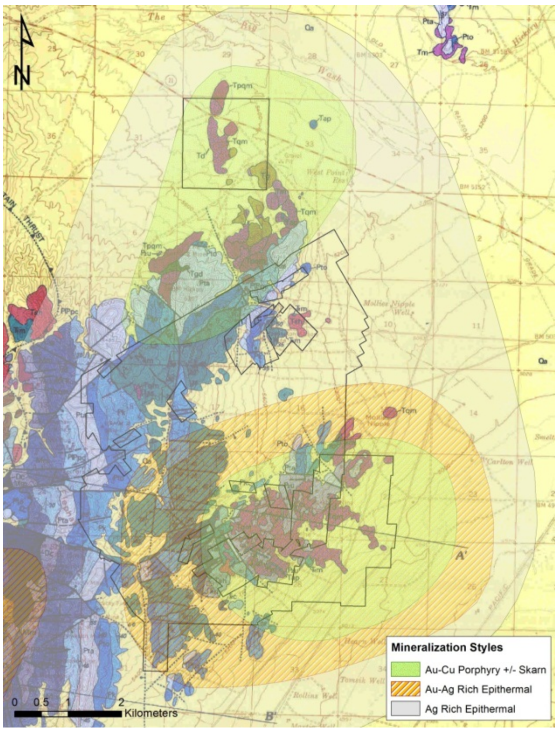

Figure 6. Mineralisation styles overlying geology. Data from field mapping, rock chip sampling results, and historic information. Black line outline is current claims boundary.

DIRECTORS' REPORT

ABOUT UTAH

Utah is 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 6 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, HALLS CREEK, WESTERN AUSTRALIA 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 (located in the East Kimberley region of Western Australia) 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.

In addition 0.46 g/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 confirm 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.

Forty eight 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.

DIRECTORS' REPORT

Table 2.Grants Creek rock chip grab samples.

SAMPLE	Au	Ag	As	Cu	Mo	Pb	Pb-Rp1	W	Zn	Easting	Northing
	Ppm	Ppm	Ppm	Ppm	Ppm	Ppm	%	Ppm	Ppm	Metres	Metres
37233	0.00	X	7	7	1	3	N/A	X	7	389800	8029200
37234	0.03	X	9	108	X	15	N/A	X	31	389113	8029232
37235	0.26	3.3	33	846	2	465	N/A	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	N/A	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.

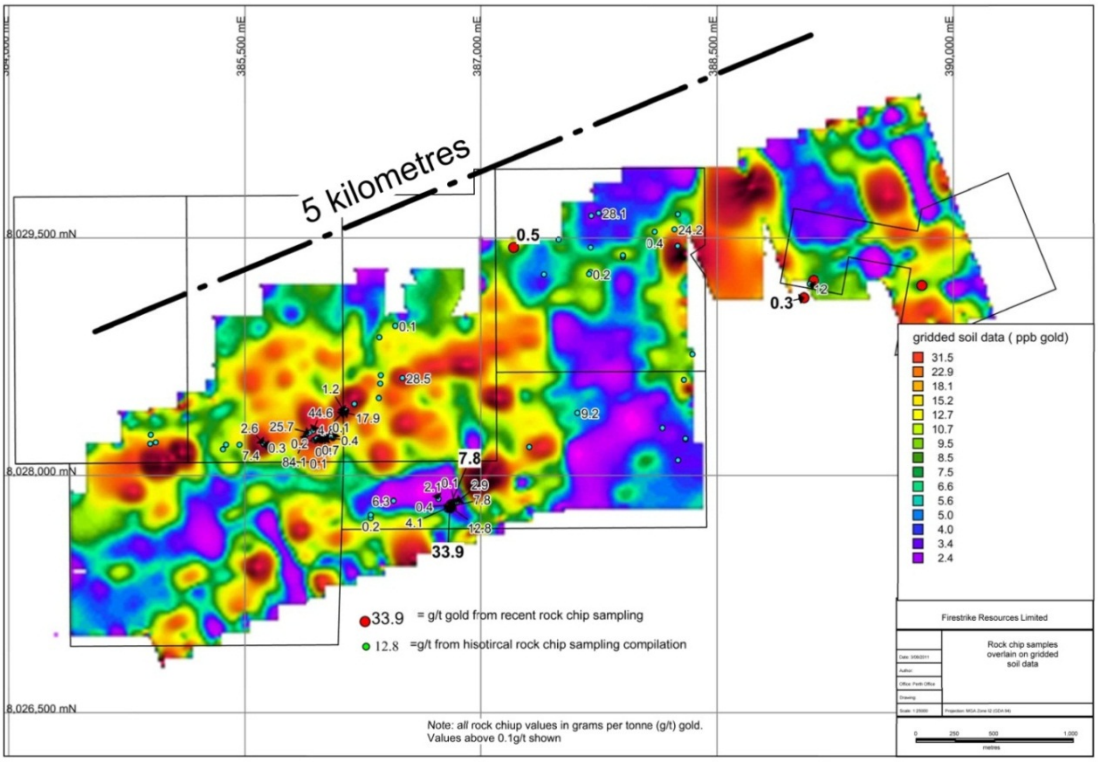

Figure 7. Grants Creek. Note bold large values relate to the sampling in Table 2, smaller values are from historical data.

Following on from last quarter's rock chip results which confirmed the previously reported high grade (over 5 g/t) gold present in the historical workings the Company is considering options to follow up the sampling results with drilling.

Currently the Company is still in the process of completing statutory requirements (primarily completing a Heritage Survey) in preparation for a possible drill programme and is hampered by the wet conditions, which is restricting access for field crews. The Company hopes to complete drilling at both the Grants Creek and Angelo projects contemporaneously to minimise mobilisation and ancillary costs.

DIRECTORS' REPORT

ANGELO PROJECT, HALLS CREEK, WESTERN AUSTRALIA E80/2707

(100% Firestrike Resources Limited)

Desktop 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 will seek to have these requirements completed as soon as 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.

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 before the seasonal rains commence.

ELAINE PROJECT, BALLARAT, E5133

(Firestrike Resources Limited with an Option to acquire 100%)

Victorian based geological consultants completing a site investigation of the workings central to the tenement. Over 37 selected rock chip samples have been collected and access reviewed as part of a preliminary investigation into possible selected drilling sites within the tenement.

The Company is also considering expanding soil sampling areas as a result of positive outcome from a previous survey undertaken early in 2011, which indicated a coherent gold anomaly in the southern region of the tenement.

Whilst the project has potential, remaining focused on exploration within the USA is seen as the priority for the company in the immediate future. Consequently, the Elaine project is under review and will be re-assessed in regards to future activities in the coming months.

COMPETENT PERSON'S 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 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 this information in the form and context in which it appears.

DIRECTORS' REPORT

Operating Results

The loss for the year ended 30 June 2012 after income tax expense amounted to $559,391 (2011 period $9,939).

Dividends Paid or Recommended

No dividends were paid or declared for payment.

Financial Position

The net assets of the Group at 30 June 2012 are $3,282,193.

The Directors believe the Company is in a strong and stable financial position to allow it to continue to explore and develop the current exploration properties.

Significant Changes in State of Affairs

There were no other significant changes in state of affairs.

After Balance Date Events

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.

Environmental Issues

There are no environmental regulations or requirements that the Company is subject to other than the permitting requirements to be determined by the Bureau of Land Management and the Utah State Department of Oil, Gas and Mining, USA.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

DIRECTORS' REPORT

Information on Directors

Roger Steinepreis	—	Non-Executive Chairman
Qualifications	—	B.Juris. LLB
Experience	—	Mr Steinepreis graduated from the University of Western Australia where he completed his law degree. He was admitted as a barrister and solicitor of the Supreme Court of Western Australia in 1987 and has been practising as a lawyer for over 24 years. Roger is the legal advisor to a number of public companies on a wide range of corporate related matters. His areas of practice focus on company restructures, initial public offerings and takeovers.
Interest in Shares and Options	—	2,950,000 Ordinary shares 2,500,000 Options ($0.25 expiry 31 December 2015) 2,500,000 Options ($0.50 expiry 31 December 2015)
Directorships held in other listed entities in the last 3 years	—	In the 3 years immediately before the end of the financial year, Roger Steinepreis served as a director of the following listed companies: Digital Performance Group Limited (formerly Comtel Corporation Ltd) (since 9 March 2006 – resigned 24 December 2010) Avonlea Minerals Limited (since 1 May 2007) Adavale Resources Ltd (since 26 May 2006) Imugene Limited (since 29 January 2002) Apollo Consolidated Limited (since 4 August 2009) Eureka Energy Limited (since 20 June 2012)
David Holden	—	Managing Director
Qualifications	—	Mr Holden Holds a Bachelor of Science degree in Geology from Otago University, New Zealand. He also holds a Masters in Business Administration and a Masters in Management giving him a broad base of managerial skills to compliment the years of experience. He is a member of the AusIMM AIG and CIM.
Experience	—	His career spans over 25 years in the minerals industry from the coal mines in New Zealand to deep underground gold mines in South Africa. Over his career, David has held a number of senior management roles including Supervising Geologist, Chief Geologist and Technical Director for a number of public companies including Prosperity Resources Ltd (ASX listed) Quadrant Australia (ASX listed), Avonlea Minerals Ltd (ASX listed) and IGC Resources Inc. (TSX listed) (resigned 2009). David was intimately involved in the multi million ounce discoveries of gold at Mt Todd in the Northern Territory and the Nimary Mine in Western Australia. In 1997 David founded a geological consulting service company, Ravensgate, which specialises in expert's reports, resource estimations, valuations and exploration management, and in 2005 started Shackleton Capital Pty Ltd, advising listed companies on both corporate and technical matters relating to project acquisition or initial public offering.

		In 2007 he founded Atomic Resources Ltd (ASX listed) a solid energy company that is currently developing major coal assets in Tanzania.
Interest in Shares and Options	–	2,510,000 Ordinary shares 2,500,000 Options ($0.25 expiry 31 December 2015) 2,500,000 Options ($0.50 expiry 31 December 2015)
Directorships held in other listed entities in the last 3 years	–	In the 3 years immediately before the end of the financial year, David Holden served as a director of the following listed companies: Intra Energy Corporation Limited (formerly Atomic Resources Limited) (since July 2007 – resigned February 2010).
<u>Paul Lloyd</u>	–	Non Executive Director
Qualifications	–	Mr Lloyd is a Chartered Accountant with over 25 years commercial experience.
Experience	–	Mr Lloyd operates his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. After commencing his career with an international accounting firm, he was employed for approximately 10 years as the General Manager of Finance for a Western Australian based international drilling contractor working extensively in Asia and Africa.
Interest in Shares and Options	–	2,500,000 Ordinary shares 2,500,000 Options ($0.25 expiry 31 December 2015) 2,500,000 Options ($0.50 expiry 31 December 2015)
Directorships held in other listed entities in the last 3 years	–	In the 3 years immediately before the end of the financial year, Paul Lloyd served as a director of the following listed companies: Beacon Minerals Limited (since 9 May 2006 – resigned 19 March 2012) South American Ferro Metals Limited (formerly Riviera Resources Limited) (since 19 June 2008 – resigned 31 May 2012) Sunseeker Minerals Limited (since 15 November 2010 – resigned 9 August 2012) Target Energy Limited (since July 2006 - resigned 31 December 2010)
<u>Philip Re</u>	–	Company Secretary
Qualifications	–	Mr Re is a Chartered Accountant, a Chartered Secretary and is a member of the Australian Institute of Company Directors.
Experience	–	In recent years Mr Re has been involved as a Director and Company Secretary for a number of public companies involving transactions in the mineral exploration industry. Recently Mr Re was a Director and the Company Secretary for ASX Listed South American Ferro Metals Limited (formerly Riviera Resources), Meridian Minerals Limited, and Transit Holdings Limited. He is currently the Company Secretary for Promesa Limited. Mr Re is one of the founders of the charity organisation "The Better Life Foundation WA", where he currently is the Chairman. Mr Re is a director of Regency Corporate Pty Ltd.

DIRECTORS' REPORT

Directorships held in other listed entities in the last 3 years	—	In the 3 years immediately before the end of the financial year, Philip Re served as a director of the following listed companies: South American Ferro Metals Limited (formerly Riviera Resources Limited) (since 6 December 2007 – resigned 31 May 2012)

REMUNERATION REPORT - AUDITED

The information provided in the audited remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

Principles used to determine the nature and amount of remuneration

The Board determines the appropriate nature and amount of remuneration. The Board ensures that the executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency; and
- capital management.

The framework provides a mix of fixed and variable pay.

Non-executive Directors and executive Director

Fees and payments to non-executive Directors and the executive Directors reflect the demands, which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool limit currently stands at $300,000 per annum.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the Consolidated Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Consolidated Group. The contracts for service between the Consolidated Group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

The employment conditions of the managing director, David Holden have been formalised in a Consulting agreement with Shackleton Capital Pty Ltd on 18 May 2011. The engagement is for the term of two years and to the amount of $12,500 per month. The Consultancy Agreement may be terminated by either the Consultant or the Company by giving 3 month's written notice.

Key Management Personnel Remuneration

2012

Key Management Personnel

	Cash, salary & consultancy fees	Total	Performance Related
	$	$	%
Roger Steinepreis	32,700[1]	32,700	-
David Holden	150,000[2]	150,000	-
Paul Lloyd	56,970[3]	56,970	-
	239,670	239,670	-

10 March 2011 to
30 June 2011

Key Management Personnel

	Cash, salary & consultancy fees	Total	Performance Related
	$	$	%
Roger Steinepreis	-	-	-
David Holden	31,168[2]	31,168	-
Paul Lloyd	-	-	-
	31,168	31,168	-

1. Consultancy fees were paid to Steinepreis Paganin, a related party of Roger Steinepreis.
2. Consultancy fees were paid to Shackleton Capital Pty Ltd, a related party of David Holden.
3. Consultancy fees were paid to Coral Brook Pty Ltd, a related party of Paul Lloyd.

<u>Performance income as a proportion of total remuneration</u>

Executive directors and executives were not paid performance based bonuses.

<u>Options issued as part of remuneration for the period ended 30 June 2012</u>

No options were issued to the Directors or executives as part of their remuneration during the year.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

Meetings of Directors

During the financial period, four meetings of Directors (including meetings of committees of Directors) were held. Attendance by each director was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Roger Steinepreis	4	4
David Holden	4	4
Paul Lloyd	4	4

Indemnification and insurance of Directors and Officers

Since the end of the financial period the Consolidated Group has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Consolidated Group has paid premiums to insure each of the following current and former Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Consolidated Group, other than conduct involving a wilful breach of duty in relation to the Consolidated Group. The amount of the premium was $8,000 for all Directors.

Options

At the date of this report, the following options over unissued shares in Firestrike Resources Limited were on issue:

Grant Date	Date of expiry	Exercise price	Number under options
10 March 2011	31 December 2015	0.25	9,500,000
10 March 2011	31 December 2015	0.50	9,500,000

During the period ended 30 June 2012, no ordinary shares of Firestrike Resources Limited were issued on the exercise of options granted under any Firestrike Resources Limited Employee Option Plan.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

DIRECTORS' REPORT

Future Developments

Other than as referred to in this report, further information as to likely developments in the operations of the Consolidated Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Consolidated Group and its shareholders.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 33 of the Directors' report.

Signed in accordance with a resolution of the Board of Directors.

David Holden
Managing Director

28 September 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the corporate governance of the Consolidated Group. The Board guides and monitors business activities and affairs of the Consolidated Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Consolidated Group has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Consolidated Group's needs. The Corporate Governance Statement has been structured with reference to ASX Corporate Governance Council's ("council") "Principles of Good Corporate Governance and Best Practise Recommendations" to the extent that they are applicable to the Consolidated Group.

Information about the Consolidated Group's corporate governance practises are set out below.

BOARD OF DIRECTORS

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the Consolidated Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

Board Processes

The Board has established a framework for the management of the Consolidated Group including a system of internal control, a business risk management process and appropriate ethical standards.

The full Board schedules meetings, including strategy meetings and any extraordinary meetings, as necessary to address any specific significant matters that may arise. The agenda for meetings is prepared in conjunction with the Chairman and Company Secretary. Standing items include the management report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance.

The Company is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of separate Board committees, including a Nomination Committee, Remuneration Committee or an Audit Committee. Accordingly, all matters that may be considered by such committees are dealt with by the full Board. Details of the Board's procedures in respect to each of these areas are further outlined within the Corporate Governance Statement below - see Nomination Committee, Remuneration Committee and Audit Committee sections respectively.

CORPORATE GOVERNANCE STATEMENT

Director Education

The Consolidated Group has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Consolidated Group concerning performance of directors. Directors also have the opportunity to visit Consolidated Group facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Independent Professional Advice and Access to Company Information

Each Director has the right of access to all relevant Company information and to the Consolidated Group's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Consolidated Group's expense. The Director must consult with an adviser suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

Composition of the Board

The names of the Directors of the Company in office at the date of this report are set out in the Directors' Report on page 6.

The composition of the Board is determined using the following principles:

- A minimum of three directors, with a broad range of expertise both nationally and internationally.

- Directors having extensive knowledge of the Consolidated Group's industries, and those which do not, have extensive expertise in significant aspects of auditing and financial reporting, or risk management and financing of public companies.

The roles of Chairman and Managing Director are not to be exercised by the same individual.

Board members have experience in the management of public companies. The Board currently does not have any independent directors as recommended by the ASX Corporate Governance Council.

The Managing Director is David Holden and the Chairman is Roger Steinepreis.

The Consolidated Group has not appointed a Chief Executive Officer. The role will be filled by the Managing Director, and the directors consider that, given the current size and stage of development of the Consolidated Group, the current structure is appropriate for the effective execution of the Board's responsibilities. The directors periodically monitor the need to appoint additional independent directors.

CORPORATE GOVERNANCE STATEMENT

Chairman

The Consolidated Group is not currently considered to be of a size, nor is its affairs of such complexity to justify the need for an independent chairman. The chairman has been selected to bring specific skills and industry experience relevant to the Consolidated Group.

NOMINATION COMMITTEE

The Board considers that a formally constituted Nomination Committee is not appropriate as the Board, as part of its usual role, oversees the appointment and induction process for directors, and the selection, appointment and succession planning process of the Consolidated Group's executive officers. The Board considers the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the Board determines the selection criteria based on the skills deemed necessary. The Board identifies potential candidates and may take advice from an external consultant. The Board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

The chairman of the Board continually reviews the effectiveness of the Board, individual directors, and senior executives. The other Directors have an opportunity to contribute to the review process. The reviews generate recommendations to the Board, which votes on them. Directors displaying unsatisfactory performance are required to retire.

REMUNERATION COMMITTEE

The Board considers that a formally constituted Remuneration Committee is not appropriate as the Board, as part of its usual role, oversees the appointment and remuneration of Directors and the Consolidated Group's executive officers. Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The Board may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include a mix of fixed remuneration, performance-based remuneration, and equity-based remuneration.

The remuneration structures explained below are designed to attract suitably qualified candidates, and to affect the broader outcome of maximising the Consolidated Group's profitability. The remuneration structures take into account:

- Overall level of remuneration for each director and executive;
- The executive's ability to control the performance of the relevant area; and
- The amount of incentives within each executive's remuneration.

Non-executive Directors may receive a base fee and can be remunerated by way of share and option issues approved under a resolution at a general meeting of shareholders.

The Board has no established retirement or redundancy schemes.

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

The Consolidated Group is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Audit Committee. Whilst the Consolidated Group does not have a formally constituted Audit Committee, the Board, as part of its usual role, undertakes audit related responsibilities including:

- Reviewing the annual and interim financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholders' needs;

- Assessing corporate risk assessment processes;

- Assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence which is consistent with Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board;

- Addressing any matters outstanding with the auditors, the Australian Taxation Office, the Australian Securities and the Investments Commission, Australian Securities Exchange and financial institutions;

- Reviewing the nomination and performance of the external auditor. The external audit engagement partner will be rotated every five years;

- Assessing the adequacy of the internal control framework and the Consolidated Group's code of ethical standards;

- Monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements.

The directors review the performance of the external auditors on an annual basis and normally meet with them during the year to:

- Discuss the external audit plans, identify any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial report and to review the fees proposed for the audit work to be performed;

- Review the annual and half-year reports prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, prior to announcement of the result.

The Board monitors the need to form an Audit Committee on a periodic basis.

RISK MANAGEMENT

Overview of the Risk Management System

The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Consolidated Group's risk profile. This includes assessing, monitoring and managing operational, financial reporting and compliance risks for the Consolidated Group. The Consolidated Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for reporting risk management and associated compliance and controls. Instead, a director, in accordance with Consolidated Group policy, approves all expenditure, is intimately acquainted with all operations and reports all relevant issues to the other Directors at the directors' meetings. The Company Secretary has declared to the Board, that the aforementioned system is working efficiently and effectively. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the entire part of the financial period that the Consolidated Group operated and the period up to the signing of the annual financial report for all material operations in the Consolidated Group.

Risk Profile

The Consolidated Group is not currently considered to be of a size, nor is its affairs of such complexity to justify the establishment of a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Consolidated Group's operations ensures risks are identified, assessed and appropriately managed. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Major risks arise from such matters as actions by competitors, government policy changes, difficulties in sourcing raw materials, the robustness of the technologies being used or proposed to be used, environment, occupational health and safety, financial reporting and the purchase, development and use of information systems.

Risk Management, Compliance and Control

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

Practices have been established to ensure:

- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled, including the potential use of derivatives;
- Occupational health & safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed;
- The quality and integrity of personnel (see below);

- Financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- Environmental regulation compliance (see below).

Quality and Integrity of Personnel

The Consolidated Group conducts a comprehensive review of the ability and experience of potential employees prior to appointment. Informal appraisals will be conducted regularly with continuous feedback and on the job monitoring and training for all employees. Formal appraisals will be conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews will create an environment of co-operation and constructive dialogue with employees and senior management.

Financial Reporting

The Company Secretary has declared to the Board that the Consolidated Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Following the reporting year, monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly.

Environmental Regulation

The Consolidated Group's operations are subject to significant environmental regulation in relation to its operational activities. The Consolidated Group is committed to achieving a high standard of environmental performance. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

Internal Audit

The Consolidated Group does not have a formally established internal audit function. The Board ensures compliance with the internal controls and risk management procedures previously mentioned.

ETHICAL STANDARDS

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Consolidated Group.

Conflict of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Consolidated Group. The Board has developed procedures to assist Directors to disclose potential conflicts of interest.

Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned is not present at the meeting whilst the item is considered.

Code of conduct

The Consolidated Group has established a Code of Conduct (Code), which aims to develop a consistent understanding of, and approach to, the desired standards of conduct and behaviour of the Directors, officers, employees and contractors (collectively, the employees) in carrying out their roles for the Consolidated Group. Through this Code, the Consolidated Group seeks to encourage and develop a culture of professionalism, honesty and responsibility in order to maintain and enhance our reputation as a valued employer, business operator and "corporate citizen". The Code is designed to broadly outline the ways in which the Consolidated Group wishes to conduct its business. The Code does not cover every possible situation that employees may face, but is intended to provide employees with a guide to taking a common sense approach to any given situation, within an overall framework.

Trading in the Consolidated Group's securities by Directors and employees

The Consolidated Group has established a Security Trading Policy that is provided to all Directors and employees on commencement.

The constitution permits Directors to acquire shares in the Company. Consolidated Group policy prohibits Directors from dealing in shares whilst in possession of price sensitive information. Directors must notify the Company Secretary once they have bought or sold shares in the Company or exercised options over ordinary shares.
The Trading Policy also covers a "Block Out Period" of two weeks prior and 24 hours after the release of the following:
1. Consolidated Group's Annual Financial Report
2. Consolidated Group's Interim Financial Report
3. Consolidated Group's Quarterly Report

The full Securities Trading Policy can be viewed on the Company's website.

In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange, the Company on behalf of the Directors must advise the Australian Securities Exchange of any transactions conducted by them in shares and/or options in the Company.

Diversity

The Consolidated Group believes that the promotion of diversity on Boards, in senior management and within the organisation generally:
- broadens the pool for recruitment of high quality Directors and employees;
- is likely to support employee retention;
- through the inclusion of different perspectives, is likely to encourage greater innovation; and
- is socially and economically responsible governance practice.

CORPORATE GOVERNANCE STATEMENT

Currently, Firestrike has no females in senior positions. There are no female Directors. Given the present size of the Consolidated Group, there are no plans to establish measurable objectives for achieving further gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Consolidated Group increases.

COMMUNICATION WITH SHAREHOLDERS

The Board has formally documented the Consolidated Group's continuous disclosure procedures and established a Compliance policy. The Board, as part of its usual role, will provide shareholders with information using comprehensive continuous disclosure processes which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and issuing media releases.

In summary, the continuous disclosure processes will operate as follows:

- The Chairman and the Company Secretary are responsible for all communications with the ASX. Matters that may have an effect on the price of the Company's securities are advised to the ASX on the day they are discovered. Senior executives monitor all areas of the Consolidated Group's internal and external environment;

- The full annual financial report is made available to all shareholders, and includes relevant information about the operations of the Consolidated Group during the year, changes in the state of affairs and details of future developments;

- The half-yearly financial report contains summarised financial information and a review of the operations of the Consolidated Group during the period. The half-year reviewed financial report is lodged with the ASX, and sent to any shareholder who requests it;

- Proposed major changes in the Consolidated Group which may impact on share ownership rights are submitted to a vote of shareholders;

- All announcements made to the market, and related information (including information provided to analysts and the media), will be released to the ASX; and

- The external auditor attends the Annual General Meeting to answer any questions concerning the audit and the content of the Auditor's Report.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Consolidated Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors and changes to the constitution. Copies of the constitution are available to any shareholder on request.

Other Information

Further information relating to the Consolidated Group’s corporate governance practices and policies are publicly available on the Company’s web site at www.firestrike.com.au.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Firestrike Resources Limited for the year ended 30 June 2012, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Firestrike Resources Limited.

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Perth, Western Australia
28 September 2012

L DI GIALLONARDO
Partner, HLB Mann Judd

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group	
		2012	10 March 2011 to 30 June 2011
		$	$
Revenue	2	129,186	8,180
Administrative expenses		(227,476)	(12,307)
Exploration expenditure impairment		(277,767)	-
Financial and compliance expenses		(117,970)	(5,704)
Legal expenses		(11,545)	-
Travel and accommodation expenses		(53,819)	-
Other expenses		-	(108)
Loss before income tax	3	(559,391)	(9,939)
Income tax expense	4	-	-
Loss from continuing operations		(559,391)	(9,939)
Other comprehensive income/loss		-	-
Total comprehensive loss for the year		(559,391)	(9,939)
Basic loss per share (cents per share)	7	(1.8)	(0.09)

The accompanying notes form part of the financial report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	Consolidated Group	
		2012	2011
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8	2,309,254	3,181,884
Trade and other receivables	9	27,233	20,212
Other	10	-	254,383
TOTAL CURRENT ASSETS		2,336,487	3,456,479
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	11	1,014,322	91,686
Property, plant and equipment		7,558	-
TOTAL NON-CURRENT ASSETS		1,021,880	91,686
TOTAL ASSETS		3,358,367	3,548,165
CURRENT LIABILITIES			
Trade and other payables	12	76,174	228,604
Other	13	-	3,020,000
TOTAL CURRENT LIABILITIES		76,174	3,248,604
TOTAL LIABILITIES		76,174	3,248,604
NET ASSETS		3,282,193	299,561
EQUITY			
Issued capital	14	3,851,523	309,500
Accumulated losses		(569,330)	(9,939)
TOTAL EQUITY		3,282,193	299,561

The accompanying notes form part of the financial report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

Consolidated Group	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance 10 March 2011			
Loss for the period	-	(9,939)	(9,939)
Other comprehensive income/loss	-	-	-
Total comprehensive income/loss	-	(9,939)	(9,939)
Shares issued during the period	309,500	-	309,500
Balance at 30 June 2011	309,500	(9,939)	299,561
Balance 1 July 2011	309,500	(9,939)	299,561
Loss for the year	-	(559,391)	(559,391)
Other comprehensive income/loss	-	-	-
Total comprehensive income/loss	309,500	(569,330)	(259,830)
Shares issued during the year (net of capital raising costs)	3,542,023	-	3,542,023
Balance at 30 June 2012	3,851,523	(569,330)	3,282,193

The accompanying notes form part of the financial report

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group	
		2012	10 March 2011 to 30 June 2011
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers		(425,747)	(17,416)
Interest received		131,290	-
Net cash used in operating activities	16	(294,457)	(17,416)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of office equipment		(9,209)	-
Payment for joint venture		(101,000)	-
Purchase of Prospect		-	(40,000)
Exploration expenditure		(331,928)	(30,407)
Net cash used in investing activities		(442,137)	(70,407)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		63,000	309,500
Application money received		-	3,020,000
Capital raising costs paid		(199,036)	(59,793)
Net cash provided by/(used in) financing activities		(136,036)	3,269,707
Net increase/(decrease) in cash held		(872,630)	3,181,884
Cash at beginning of financial year		3,181,884	-
Cash at end of financial year	8	2,309,254	3,181,884

The accompanying notes form part of the financial report

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements comprise the financial report and notes of Firestrike Resources Limited, a listed Australian company incorporated and domiciled in Western Australia. The Company was listed on the ASX on 26 July 2011.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting (AIFRS), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AIFRS ensures that the financial report and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report was authorised for issue on 28 September 2012.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Consolidated Group becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Consolidated Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

c. Impairment of Assets

At each reporting date, the Directors review the carrying values of the Consolidated Group's tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Provisions

Provisions are recognised when the Consolidated Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

f. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

g. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Consolidated Group during the reporting period, which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Comparative Figures

As the Company was incorporated on 10 March 2011, the comparative figures in the statements of comprehensive income, changes in equity and cash flows cover the period from 10 March 2011 to 30 June 2011.

j. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key Estimates — Impairment

The Directors assess impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Estimates – Income tax

Balances disclosed in the financial report and the notes thereto related to taxation are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Consolidated Group as they pertain to current income taxation legislation, and the Directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that Directors' best estimate, pending an assessment by the Australian Taxation Office.

Key Judgement – Environmental issues

Balances disclosed in the financial report and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors' understanding thereof. At the current stage of the Consolidated Group's development and its current environmental impact the Directors believe such treatment is reasonable and appropriate.

k. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Firestrike Resources Limited.

l. Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Trade and other receivables (continued)

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Consolidated Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Consolidated Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Consolidated Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

m. Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

n. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

o. Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

p. Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditure is expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

p. Exploration and evaluation expenditure (continued)

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

q. Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2012, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors 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 Consolidated Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. 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 necessary to Consolidated Group accounting policies.

r. Foreign currency translation

Both the functional and presentation currency of Firestrike Resources Limited is Australian dollars. Each entity in the Consolidated Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of Firestrike Resources Incorporated is United States dollars.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. Foreign currency translation (continued)

As at the balance date the assets and liabilities of this subsidiary is translated into the presentation currency of Firestrike Resources Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Consolidated Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

s. Share based payments

The Company has issued shares to third parties for the acquisition of tenements and for entering into joint venture arrangements. The cost of these equity-settled transactions has been measured by reference to the fair value of the equity instruments granted, namely the market value of Firestrike's shares on the dates when agreements were reached to issue those shares.

t. Parent entity financial information

The financial information for the parent entity, Firestrike Resources Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share-based payments
The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2012	10 March 2011 to 30 June 2011
	$	$
Other revenue		
Interest received	129,186	8,180
Total revenue	129,186	8,180

NOTE 3: LOSS FOR THE YEAR

	Consolidated Group	
	2012	10 March 2011 to 30 June 2011
	$	$
Significant expenses:		
Accounting & secretarial	66,636	-
Auditor's remuneration	28,000	5,000
Consultant fees	21,000	-
Corporate software	-	7,200
Directors' fees	71,940	-
Exploration expenditure impairment	277,767	-
General administrative	17,000	-
Legal	11,545	-
Promotions & Advertising	28,171	-
Rent	66,909	-
Share registry fees	14,449	-
Travel	53,819	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: INCOME TAX EXPENSE

	Consolidated Group	
	2012	10 March 2011 to 30 June 2011
	$	$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit/loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 30%	(167,817)	(2,982)
Add / (Less)		
Tax effect of:		
Other non-allowable items	6,140	4,047
Other non assessable income	(1,823)	(2,454)
Other deductible items	(1,545)	(45)
Capitalised exploration expenditure	(304,297)	(27,505)
Unused tax losses not recognised as deferred assets	469,342	28,939
Income tax attributable to operating loss	-	-

	2012	2011
	$	$
Balance of franking account at year end	Nil	Nil
(c) Unrecognised deferred tax assets		
Unused tax losses for which no deferred tax asset has been recognised	498,281	28,939

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2012 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this current point in time. These benefits will only be obtained if:

i. The Consolidated Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

ii. The Consolidated Group continues to comply with conditions for deductibility imposed by law; and

NOTE 4: INCOME TAX EXPENSE (CONTINUED)

iii. No changes in tax legislation adversely affect the Consolidated Group in realising the benefit from the deductions for the losses.

(d) Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised in respect of the following items:

	Consolidated Group	
	2012	2011
	$	$
Capitalised exploration expenditure	304,297	27,505

NOTE 5 : KEY MANAGEMENT PERSONNEL

Names and positions held of Consolidated Group key management personnel (KMP) in office at any time during the financial year are:

Key Management Person	Position
Roger Steinepreis	Non Executive Chairman
David Holden (*)	Managing Director
Paul Lloyd	Non Executive Director

The total of remuneration paid to KMP of the Consolidated Group during the period are as follows:

	2012 $	10 March 2011 to 30 June 2011 $
Short-term employee benefits	239,670	31,168
	239,670	31,168

(*)The Managing Director remuneration is outlined in a formal Consultancy Agreement with Shackleton Capital Pty Ltd

Number of Options Held by Key Management Personnel

	Balance 1.7.2011	Total Issued 30.6.2012	Total Vested and Exercisable 30.6.2012	Total Unexercisable 30.6.2012
Roger Steinepreis	5,000,000[1]	- -	5,000,000[1]	-
David Holden	5,000,000[1]	--	5,000,000[1]	-
Paul Lloyd	5,000,000[1]	--	5,000,000[1]	-
Total	15,000,000		15,000,000	-

1.Includes 2,500,000 options exercisable at $0.25 on or before 31 December 2015 and 2,500,000 options exercisable at $0.50 on or before 31 December 2015.

NOTE 5 : KEY MANAGEMENT PERSONNEL (CONTINUED)

Number of shares Held by Key Management Personnel

	Balance 1.7.2011	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2012
Roger Steinepreis	2,950,000	-	-	-	2,950,000
David Holden	2,500,000	-	-	10,000	2,510,000
Paul Lloyd	2,500,000	-	-	-	2,500,000
Total	7,950,000	-	-	-	7,960,000

NOTE 6: AUDITOR'S REMUNERATION

	Consolidated Group	
	2012	10 March 2011 to 30 June 2011
	$	$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	28,000	5,000
— Independent Accountant's report	-	8,250
	28,000	13,250

NOTE 7: EARNINGS/LOSS PER SHARE

		Consolidated Group	
		2012	10 March 2011 to 30 June 2011
		$	$
a.	Reconciliation of earnings to profit or loss		
	Loss used to calculate basic EPS	(559,391)	(9,939)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	30,824,658	11,000,000
		30,824,658	11,000,000

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2012	2011
	$	$
Cash at bank and in hand	128,303	3,181,884
Short-term bank deposits	2,180,751	-
Cash loan to Firestrike Resources Incorporated	200	-
	2,309,254	3,181,884

The effective interest rate on short-term bank deposits was varying between 3.9% to 4.16%.

Reconciliation of cash

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2012	2011
Cash and cash equivalents	2,309,254	3,181,884
	2,309,254	3,181,884

NOTE 9: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2012	2011
	$	$
CURRENT		
Interest receivable	6,075	8,180
GST receivable	13,184	12,032
Other debtors	6,495	-
Prepaid insurance	1,479	-
	27,233	20,212

NOTE 10: OTHER CURRENT ASSETS

	Consolidated Group	
	2012	2011
	$	$
CURRENT		
Deferred capital raising costs	-	254,383

These costs were subsequently transferred to issued capital upon ASX listing on 26 July 2011.

NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Group	
	2012	2011
	$	$
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Project acquisition	40,000	40,000
Exploration expenditure	1,252,090	51,686
Expenditure written off (i)	(277,768)	-
	1,014,322	91,686

(i) Expenditure written off resulted from the Directors' decision to impair expenditure relating to the Elaine Project following the decision to allow the purchase option to lapse.

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

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2012	2011
	$	$
CURRENT		
Trade payables*	56,904	156,427
Sundry payables and accrued expenses	19,270	72,177
	76,174	228,604

*Terms of trade are in line with normal commercial terms (usually 30 to 60 days)

NOTE 13: OTHER LIABILITIES

	Consolidated Group	
	2012	2011
	$	$
CURRENT		
Application money received	-	3,020,000
	-	3,020,000

NOTE 14: ISSUED CAPITAL

	Consolidated Group	
	2012	2011
	$	$
12,500,000 fully paid ordinary shares	309,500	309,500
15,500,000 fully paid ordinary shares – IPO capital raising	3,100,000	-
4,000,000 fully paid ordinary shares – tenement and joint venture acquisitions	710,000	-
Capital raising costs	(267,977)	-
At reporting date	3,851,523	309,500

The Company has issued share capital amounting to 32,000,000 ordinary shares of no par value.

	Consolidated Group	
	2012	2011
	No.	No.
Ordinary shares		
At the beginning of reporting period	12,500,000	-
Fully paid shares issued during the period		
— 10 March 2011	-	9,500,000
— 5 May 2011	-	3,000,000
— 5 July 2011 (issued at $0.20 to acquire tenements)	2,000,000	-
— 5 July 2011 (issued at $0.20 to acquire tenements)	1,000,000	-
— 5 July 2011 (issued at $0.20 pursuant to IPO)	15,500,000	-
— 20 June 2012 (issued at $0.11 to acquire interest in JV)	1,000,000	-
At reporting date	32,000,000	12,500,000

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Consolidated Group	
	2012	2011
	No.	No.
Options		
At the beginning of reporting period	19,000,000	-
Options over ordinary shares issued during the period		
— 10 March 2011	-	19,000,000
At reporting date	19,000,000	19,000,000

Includes 9,500,000 options exercisable at $0.25 on or before 31 December 2015 and 9,500,000 options exercisable at $0.50 on or before 31 December 2015.

NOTE 14: ISSUED CAPITAL (CONTINUED)

Capital risk management

The Consolidated Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Consolidated Group's activities, being mineral exploration, the Consolidated Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Consolidated Group's capital risk management is the current working capital position against the requirements of the Consolidated Group to meet exploration programmes and corporate overheads. The Consolidated Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Consolidated Group at 30 June 2012 is as follows:

	Consolidated Group	
	2012	2011
	$	$
Cash and cash equivalents	2,309,254	3,181,884
Trade and other receivables	27,233	20,212
Other assets	-	254,383
Trade and other payables and other liabilities	(76,174)	(3,248,604)
Working capital position	2,260,313	207,875

NOTE 15: CASH FLOW INFORMATION

	Consolidated Group	
	2012	10 March 2011 to 30 June 2011
	$	$
Loss after income tax	(559,391)	(9,939)
Cash flows excluded from loss attributable to operating activities		
Non cash items		
- Depreciation	1,651	-
- Other	17,000	-
- Exploration expenditure impairment	277,767	-
Changes in assets and liabilities		
- Increase/(decrease) in debtor and income accrual	2,104	(8,180)
- Increase/(decrease) in trade payables and accruals	(24,464)	12,735
- (Increase)/decrease in trade receivables and prepayments	(9,124)	(12,032)

NOTE 15: CASH FLOW INFORMATION (CONTINUED)

	2012 $	10 March 2011 to 30 June 2011 $
Cash flows used in operating activities	(294,457)	(17,416)
Non-cash financing and investing activities:		
Issue of shares to acquire tenements and interest in joint venture	710,000	-

NOTE 16: RELATED PARTY TRANSACTIONS

Transactions with related parties:	$
Fees paid to Steinepreis Paganin, a legal firm in which Roger Steinepreis has an interest	21,788

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 17: INTEREST IN CONTROLLED ENTITY

The parent had the following controlled entity:

Name of the subsidiary	Place of incorporation	Class of shares	% Held 2012	% Held 2011
Firestrike Resources Incorporated	USA	Ordinary	100%	-

The controlled entity was incorporated during the year with nominal share capital of US$10.

NOTE 18: JOINT VENTURE

A controlled entity, Firestrike Resources Incorporated, has a 51% interest in the Firestar LLC Joint Venture, whose principal activity is exploring for gold and base minerals in Utah, USA. The Joint Venture Operating Agreement was signed on 28 May 2012 with an initial capital contribution from Firestrike Resources Incorporated of US$100,000 and the issue of 1 million ordinary shares in Firestrike Resources Limited. The fair value of the shares at the date of the agreement was $0.11 each.

Initial capital contribution:	No. of shares	$
Cash	-	101,000
Shares (1 million shares at $0.11)	1,000,000	110,000
Fair value of initial capital contribution	-	211,000

NOTE 19: OPERATING SEGMENTS

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 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

1) Tenement exploration and evaluation:

The exploration of current projects 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.

2) Treasury

The reporting relating to income from cash holdings is reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated.

NOTE 19: OPERATING SEGMENTS (CONTINUED)

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments, as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- impairment of assets excluding exploration assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- trade payable and other payables;
- intangible assets.

(i) Segment performance - Year ended 30 June 2012

	Exploration and Evaluation	Treasury	Total
	$	$	$
Interest revenue	-	129,186	129,186
Total segment revenue	-	129,186	129,186
Segment net Profit /(Loss) before tax	(277,767)	129,186	(148,581)

Reconciliation of segment result to group net profit (loss) before tax:

Administration expenses	(227,476)
Financial administration and compliance expenses	(117,970)
Legal expenses	(11,545)
Travel and accommodation expenses	(53,819)
Group loss before tax	(559,391)

(i) Segment performance - 10 March 2011 to 30 June 2011

	Exploration and Evaluation	Treasury	Total
	$	$	$
Interest revenue	-	8,180	8,180
Total segment revenue	-	8,180	8,180
Segment net Profit /(Loss) before tax	-	8,180	8,180

Reconciliation of segment result to group net profit (loss) before tax:

Administration expenses	(12,307)
Financial administration and compliance expenses	(5,704)
Other expenses	(108)
Group loss before tax	(9,939)

NOTE 19: OPERATING SEGMENTS (CONTINUED)

(ii) Segment assets at 30 June 2012

	Exploration and Evaluation $	Treasury $	Total $
Segments assets	1,014,322	2,336,487	3,350,809
Reconciliation of segment assets to group assets:			
Inter-segment elimination			-
Property, plant & equipment			7,558
Total group assets from continuing operations			3,358,367

(ii) Segment assets at 30 June 2011

	Exploration and Evaluation $	Treasury $	Total $
Segments assets	91,686	3,456,479	3,548,165
Reconciliation of segment assets to group assets:			
Inter-segment elimination			-
Property, plant & equipment			-
Total group assets from continuing operations			3,548,165

(iii) Segment liabilities at 30 June 2012

	Exploration and Evaluation $	Treasury $	Total $
Segments liabilities	-	-	-
Inter-segment elimination			-
Trade and other payables			76,174
Total group liabilities from continuing operations			76,174

(iii) Segment liabilities at 30 June 2011

	Exploration and Evaluation $	Treasury $	Total $
Segments liabilities	-	-	-
Inter-segment elimination			-
Trade and other payables			228,604
Application monies received			3,020,000
Total group liabilities from continuing operations			3,248,604

NOTE 19: OPERATING SEGMENTS (CONTINUED)

(iv) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	30 June 2012	10 March 2011 to 30 June 2011
	$	$
Australia	129,186	8,180
United States of America	-	-
Total revenue	129,186	8,180

(v) Assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets:

	30 June 2012	30 June 2011
	$	$
Australia	3,147,132	3,548,165
United States of America	211,235	-
Total assets	3,358,367	3,548,165

NOTE 20: COMMITMENTS

Grants Creek Project (P80/1576, P80/1577, P80/1578, P80/1579, P80/1580, P80/1582, P80/1673)

	2012	2011
	$	$
Rent payable		
- not later than 12 months	2,636	4,190
- between 12 months and 5 years	7,380	1,534
	10,016	5,724

Program of work experience	2012	2011
	$	$
- not later than 12 months	47,610	92,480
- between 12 months and 5 years	131,192	50,000
	178,802	142,480

Angelo Project (E80/2707)

	2012	2011
	$	$
Rent payable		
- not later than 12 months	1,632	-
- between 12 months and 5 years	-	-
	1,632	-

NOTE 20: COMMITMENTS (CONTINUED)

Pursuant to entering into an agreement with Escalante Star LLC for the establishment of an incorporated joint venture for the exploration and development of the Elephant Canyon gold and base metals project, Elephant Canyon Utah, Firestrike will issue Escalante Star LLC the following shares based upon the project meeting the following milestones:

- 2 million shares will be issued on definition of 500,000 ounces of inferred resources (gold equivalence), with Firestrike retaining a 51% interest in the joint venture;
- 2 million shares will be issued on definition of 1,000,000 ounces of inferred resources (gold equivalence), with Firestrike moving to a 65% interest in the joint venture; and
- 2 million shares will be issued on a positive outcome to an independent pre-feasibility study prior to commencement of the Bankable Feasibility Study, with Firestrike increasing its equity to an 80% interest in the joint venture.

Firestrike reserves the right to withdraw from the joint venture at any time.

NOTE 21: CONTINGENCIES

There are no contingent assets or liabilities as at balance date.

NOTE 22: SHARE BASED PAYMENTS

There were no share based payments during the year.

NOTE 23: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Consolidated Group's financial instruments consist mainly of deposits with banks.

The main purpose of non-derivative financial instruments is to raise finance for Consolidated Group operations.

The Consolidated Group does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. Financial Risk Exposures and Management

Interest rate risk

The Consolidated Group exposure to financial risk is limited to interest rate risk arising from assets and liabilities bearing variable interest rates. The weighted average interest rate on cash holdings is 4.03 % at 30 June 2012. All other assets and liabilities are non interest bearing.

The Consolidated Group holds cash deposits with Australian banking financial institutions, namely the ANZ Bank. The ANZ Bank has an AA rating with Standard & Poors.

Liquidity risk

Liquidity risk arises from the possibility that the Consolidated Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Consolidated Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Consolidated Group. Due to the nature of the Consolidated Group's activities, being mineral exploration, the Consolidated Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Consolidated Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. The financial liabilities of the Consolidated Group are confined to trade and other payables as disclosed in the Statement of Financial Position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date. The Board manages liquidity risk by monitoring forecast cash flows against actual liquidity level on a regular basis

There are no unused borrowing facilities from any financial institution.

Credit risk

There no material amounts of collateral held as security at balance date.

Credit risk is reviewed regularly by the Board. It arises through deposits with financial institutions.

The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties. Only banks and financial institutions with an 'A' rating are utilised.

The Consolidated Group only invests in listed available-for-sale financial assets that have a minimum 'A' credit rating. Unlisted available-for-sale financial assets are not rated by external credit agencies. These are reviewed regularly by the Consolidated Group to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at balance date is nil.

The Consolidated Group holds cash deposits with Australian banking financial institutions, namely the ANZ Bank. The ANZ Bank has an AA rating with Standard & Poors.

Price risk

The Consolidated Group is not exposed to commodity price risk as it is still operating at the exploration level.

b. Financial Instruments

i. Derivative Financial Instruments

Derivative financial instruments are not used by the Consolidated Group.

The Consolidated Group does not enter into swap contracts.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. Financial instrument composition and maturity analysis:

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity. The financial instruments are all classified as current.

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2012	2011	2012	2011
	%	%	$	$
Financial Assets:				
Cash and cash equivalents	4.03	2.50	2,309,254	3,181,884
Total Financial Assets			2,309,254	3,181,884
Financial Liabilities:				
Trade payables	-	-	76,174	156,427
Total Financial Liabilities			76,174	156,427

iii. Net Fair Values

The net fair values of all financial assets and financial liabilities approximate their carrying value.

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position	2012	2011
	$	$
Assets		
Current assets	2,336,487	3,456,479
Non-current assets	1,021,880	91,686
Total assets	3,358,367	3,548,165
Liabilities		
Current liabilities	76,174	3,248,604
Total liabilities	76,174	3,248,604

NOTE 25: PARENT ENTITY DISCLOSURES (CONTINUED)

	2012 $	2011 $
Equity		
Issued Capital	3,851,523	309,500
Accumulated losses	(569,330)	(9,939)
Total equity	3,282,193	299,561

Financial position	2012 $	10 March 2011 to 30 June2011 $
Loss for the year	(559,391)	(9,939)
Total comprehensive loss	(559,391)	(9,939)

For details on commitments, see Note 20.

DIRECTORS' DECLARATION

The Directors of Firestrike Resources Limited declare that:

1. The financial report and notes, as set out on pages 34-63 are in accordance with the Corporations Act 2001 and:
    a. comply with Accounting Standards and the Corporations Regulations 2001;
    b. are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial report; and
    c. give a true and fair view of the Consolidated Group's financial position as at 30 June 2012 and of its performance for the year ended on that date;
2. The Chief Executive Officer and Chief Finance Officer have each declared that:
    a. the financial records of the Consolidated Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    b. the financial report and notes for the financial year comply with the Accounting Standards; and
    c. the financial report and notes for the financial year give a true and fair view;
3. 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.

Director:

David Holden
Managing Director
28 September 2012

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Firestrike Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Firestrike Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Independence

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

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of Firestrike Resources Limited for the financial year ended 30 June 2012 published in the annual report and 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 auditor's report refers only to the financial report and remuneration report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

Auditor's opinion

In our opinion:

(a) the financial report of Firestrike Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Firestrike Resources Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

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Perth, Western Australia
28 September 2012

L DI GIALLONARDO
PARTNER

ADDITIONAL INFORMATION FOR LISTED COMPANIES

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number Holders	Number Ordinary
1 – 1,000	2	611
1,001 – 5,000	4	16,881
5,001 – 10,000	95	939,667
10,001 – 100,000	281	9,714,410
100,001 – 999,999,999,999	50	21,328,431
	432	32,000,000

b. The number of shareholdings held in less than marketable parcels is 3.

c. The names of the substantial shareholders listed in the holding Consolidated Group's register as at 19 September 2012 are:

	Shareholder	Number Ordinary	%
1	Ranchland Holdings Pty Ltd	2,950,000	9.52
2	Shackleton Capital Pty Ltd	2,500,000	7.81
3	Coral Brook Pty Ltd	2,500,000	7.81
4	Pacrim Energy Pty Ltd	2,000,000	6.25

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Coral Brook Pty Ltd <Lloyd Super Fund>	2,500,000	7.81
2	Shackleton Capital Pty Ltd <The Shackleton Capital A/C>	2,500,000	7.81
3	Ranchland Holdings Pty Ltd	2,500,000	7.81
4	Pacrim Energy Ltd	2,000,000	6.25
5	ACNS Capital Markets Pty Ltd <ACNS Unit A/C>	1,500,000	4.69
6	Minico Pty Ltd	1,000,000	3.13
7	Peter Tsegas	990,000	3.09
8	Mrs Amanda Lee Ellen	510,000	1.59
9	Prospero Capital Pty Ltd <Prospero Growth Fund A/C>	445,000	1.39
10	Mr Peter Hamilton Hayes & Ms Megan Jane Armitage <The Hayes Family S/Fund>	432,660	1.35
11	STS Capital Partners International Inc.	375,000	1.17
12	Escalante Mines Inc.	340,299	1.06
13	Shane Hoemock & Sandra Wee <The Wee Superfund A/C>	266,670	0.83
14	Raven Investments Holdings Pty Ltd <Raven Investments A/C>	266,670	0.83
15	Riverstone Corporate Pty Ltd <Davis Trading A/C 1>	250,000	0.78
16	Fountain Drive Pty Ltd	250,000	0.78
17	Sunset Holdings WA Pty Ltd <Sunset Holdings SF A/C>	250,000	0.78
18	BSJS Pty Ltd <Scaffidi Family A/C>	250,000	0.78
19	Mr Peter Brian Haywood & Mrs Bronwen Menai Haywood <Haywood Superfund A/C>	250,000	0.78
20	Paranoid Enterprises Pty Ltd	200,000	0.63
		17,076,299	53.36

f.	Option holders -- $0.25 Options	Number of Options Held	% of Issue Capital
1	Coral Brook Pty Ltd <Lloyd Super Fund>	2,500,000	26.32
2	Shackleton Capital Pty Ltd < The Shackleton Capital A/C>	2,500,000	26.32
3	Ranchland Holdings Pty Ltd	2,500,000	26.32
4	ACNS Capital Markets Pty Ltd <ACNS Units A/C>	1,500,000	15.78
5	Paranoid Enterprises Pty Ltd	500,000	5.26
		9,500,000	100

g.	Option holders -- $0.50 Options	Number of Options Held	% of Issue Capital
1	Coral Brook Pty Ltd <Lloyd Super Fund>	2,500,000	26.32
2	Shackleton Capital Pty Ltd < The Shackleton Capital A/C>	2,500,000	26.32
3	Ranchland Holdings Pty Ltd	2,500,000	26.32
4	ACNS Capital Markets Pty Ltd <ACNS Units A/C>	1,500,000	15.78
5	Paranoid Enterprises Pty Ltd	500,000	5.26
		9,500,000	100

2. The name of the Company Secretary is Mr Philip Re.

3. The address of the principal registered office in Australia is:
C/- Regency Corporate Pty Ltd
Suite 1, GF, 437 Roberts Road
SUBIACO WA 6008
Telephone 08 6380 2555

4. Registers of securities are held at the following addresses:

Advance Share Registry

Unit 2 150 Stirling Hwy

NEDLANDS
WA 6009
Australia

5. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Consolidated Group on all Member Exchanges of the Australian Securities Exchange Limited.

6. Unquoted Securities

There are 9,600,000 unquoted shares.

There are 19,000,000 unquoted options.

7. Exploration Permit for Minerals – Grant Creek Gold Project and Angelo Gold Project in the Kimberley region of Western Australia

Permit number	Location	Mineral	Ownership
P80/1576	Western Australia	Gold	100 % FIE
P80/1577	Western Australia	Gold	100 % FIE
P80/1578	Western Australia	Gold	100 % FIE
P80/1579	Western Australia	Gold	100 % FIE
P80/1580	Western Australia	Gold	100 % FIE
P80/1582	Western Australia	Gold	100 % FIE
PLA80/1760	Western Australia	Gold	100 % FIE
E80/2707	Western Australia	Gold	100 % FIE

8. Exploration Permit for Minerals – Elaine Gold Project near Ballarat, Victoria

Permit number	Location	Mineral	Ownership
E5133	Victoria	Gold	Option to acquire 100 % interest

9. Exploration Permit for Minerals – Elephant Canyon Project, Utah USA

Permit Number	Location	Mineral	Ownership
AZ Frac01	Utah, USA	Gold and Copper	51% FIE as per JV agreement
AZ Frac02	Utah, USA	Gold and Copper	51% FIE as per JV agreement
AZ01 - AZ10	Utah, USA	Gold and Copper	51% FIE as per JV agreement
BO02	Utah, USA	Gold and Copper	51% FIE as per JV agreement
BO04	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CA Frac03	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CA01 – CA02	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CA04 – CA10	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CH Frac01	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CH Frac02	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CH01 – CH23	Utah, USA	Gold and Copper	51% FIE as per JV agreement
CJ01 - CJ32	Utah, USA	Gold and Copper	51% FIE as per JV agreement
FE01 – FE22	Utah, USA	Gold and Copper	51% FIE as per JV agreement
IN Frac01	Utah, USA	Gold and Copper	51% FIE as per JV agreement
IN01 – IN05	Utah, USA	Gold and Copper	51% FIE as per JV agreement
JA01 – JA24	Utah, USA	Gold and Copper	51% FIE as per JV agreement
KO05	Utah, USA	Gold and Copper	51% FIE as per JV agreement
KO07	Utah, USA	Gold and Copper	51% FIE as per JV agreement
MA01 – MA10	Utah, USA	Gold and Copper	51% FIE as per JV agreement
RS01 – RS15	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SB01 - SB76	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SC01 – SC02	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SD Frac01	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SD01 – SD25	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SE01 – SE24	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SG01 – SG11	Utah, USA	Gold and Copper	51% FIE as per JV agreement
SH01 – SH19	Utah, USA	Gold and Copper	51% FIE as per JV agreement
TA01 – TA08	Utah, USA	Gold and Copper	51% FIE as per JV agreement
TA11	Utah, USA	Gold and Copper	51% FIE as per JV agreement
VE01	Utah, USA	Gold and Copper	51% FIE as per JV agreement
VE05	Utah, USA	Gold and Copper	51% FIE as per JV agreement

10. In accordance with ASX Listing Rule 4.10.19, the Consolidated Group advises that, since listing on 26 July 2011, it has used its cash in a way consistent with its business objectives.