



QUARTERLY REPORT

DECEMBER 2015

2015/16 Financial Year

OPERATIONAL SUMMARY

The quarter ended 31 December 2015 has been a very active one for the Company.

Since the announcement of the planned acquisition of Linius (Aust) Pty Ltd on 28 October 2015, the Directors have completed the following;

- an Entitlement capital raising that was available to all shareholders, raising a total of \$510,732. The issue price per share of 2 cents was a significant discount to the share price after the announcement of the Linius acquisition and the majority of shareholders took up their entitlement.
- due diligence on Linius and provided information to Linius so that they could complete due diligence on the Company.
- Preparation of a Notice of Meeting to be sent to all shareholders to approve the acquisition of Linius.
- Initial preparation of a Prospectus to raise a minimum of \$2,750,000 and a maximum of \$3,500,000 from the issue of the Company's shares to finance the development of the Linius technology.

ABOUT LINIUS (AUST) PTY LTD

Linius has the rights to a transformative patented technology in video management and broadcasting.

The highlights of the Linius business are as follows;

- Linius transforms video file management and distribution by indexing and managing data within the video file itself.
- Linius has the potential to disrupt the entire video value chain.
- Potential to dramatically reduce the production and supply side costs of video management by, for example, removing the need for transcoding to the myriad of file formats required for broadcasting to different devices.
- Potential to facilitate truly personalised viewing experiences. No two streams need ever be the same again.
- US and International patents granted.
- Limited deployment partners identified.
- 93% of all consumer web traffic and 64% of mobile is video (ref: Cisco).
- Strong management team in place with extensive experience in the video space.

Background

Linius has designed and patented the world's first video virtualisation engine. The technology transforms large inflexible video files into small highly flexible data structures. The patented process applies two highly successful techniques to video – data indexing and virtualisation, which means that video can be indexed, spliced and edited in real time.

Content publishing no longer requires transcoding, complex workflow systems or numerous individual streams to personalise video delivery. Instead video files can be virtualised and delivered as required to any standards based device.

Some of the key potential benefits include:

For Content owners:

- Greater opportunity to monetise content catalogues
- Almost eliminate transcoding costs
- Improved security and control of assets
- Access and manage entire content database

For Broadcasters:

- Simplified workflow for video play out on standards based devices
- Capability to truly personalise content viewing experiences
- Ability to insert specific ads in individuals streams
- Personalised pricing options

Infrastructure providers:

- Dramatically reduce transport, storage and broadcast costs
- Significant capex savings on infrastructure and storage costs

Linus has 7 patents and 12 patent applications across 9 countries including a freedom to operate in the USA. A detailed patent report will be included in the Prospectus.

ENTITLEMENT ISSUE

During the quarter, the Company raised \$510,732 via an entitlement issue to shareholders on the basis of 3 shares at a purchase price of 2 cents for every 11 shares held at the record date.

Additional funds were raised from the exercise of options (ASX code; FIEOA). Option holders converted into shares for a total of 3,247,446 shares at 4 cents per share to raise \$129,898.

FUTHER INFORMATION

For further information on the proposed acquisition of Linus, please review the ASX announcement dated 28 October 2015 that includes information on the proposed new Directors, the acquisition terms, name change, board changes and proposed capital structure. In addition, a Linus Investor presentation was released to the ASX on 11 November 2015. A Notice of Meeting to approve the acquisition of Linus (Aust) Pty Ltd will be dispatched to shareholders in the next few weeks which includes detailed information on the Linus business.

Copper Ridge Project – Utah USA. (100% Firestrike Resources Limited)

The Company continues to maintain its mineral asset in meeting its statutory obligations. The asset remains of value to the Company and the project will continue to be maintained to meet the requirements of State and the Federal legislation in the USA.

SCHEDULE OF TENEMENTS

Held as at 31st December 2015

Project name	Tenement ID	Number of tenements or claims	Ownership
Copper Ridge Utah USA	From CR#005 to CR#012 inclusive; CR#014; CR#016; CR#030 to CR#043 inclusive; CR#045; CR#056; CR#058; CR#060; CR#062 to CR#067 inclusive; CR#069; CR#078; CR#080 to CR#089 inclusive; CR#091; CR#098; CR#100; CR#102; CR#104; CR#106; CR#112; CR#114; CR#116; CR#117; CR#120; CR#123; CR#125 to CR#144 inclusive	78	100% Firestrike Resources Limited

Disposed of during the quarter

Project name	Tenement ID	Number of tenements or claims	Ownership
Nil			

Acquired during the quarter

Nil			
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Appendix 5B

Mining exploration entity quarterly report

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

Firestrike Resources Limited

ABN

84 149 796 332

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	-	(20)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(117)	(199)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other - Due Diligence on Linus acquisition	(47)	(47)
	Net Operating Cash Flows	(160)	(256)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Deposit on acquisition of Linus (Aust) Pty Ltd	(250)	(250)
	Net investing cash flows	(250)	(250)
1.13	Total operating and investing cash flows (carried forward)	(410)	(506)

I.13	Total operating and investing cash flows (brought forward)	(410)	(506)
	Cash flows related to financing activities		
I.14	Proceeds from issues of shares, options, etc.	641	641
I.15	Proceeds from sale of forfeited shares	-	-
I.16	Proceeds from borrowings	-	-
I.17	Repayment of borrowings	-	-
I.18	Dividends paid	-	-
I.19	Other – Capital Raising costs	(13)	(13)
	Net financing cash flows	628	628
	Net increase (decrease) in cash held	218	122
I.20	Cash at beginning of quarter/year to date	620	716
I.21	Exchange rate adjustments to item I.20	-	-
I.22	Cash at end of quarter	838	838

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
I.2 Aggregate amount of payments to the parties included in item I.2	41
I.24 Aggregate amount of loans to the parties included in item I.10	-

I.25 Explanation necessary for an understanding of the transactions

Consulting fees and salaries

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total	120

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	838	20
5.2 Deposits at call	-	600
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	838	620

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	119,284,039	119,284,039		
7.4 Changes during quarter				
(a) Increases through issues	25,536,608	25,536,608	\$0.02Rights Issue	\$0.02
(b) Decreases through returns of capital, buy-backs	3,247,446	3,247,446	\$0.04 option ex	\$0.04
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	14,552,554	14,552,554	Exercise price \$0.04	Expiry date 31 December 2016
7.8 Issued during quarter				
7.9 Exercised during quarter	3,247,446	3,247,446		
7.10 Expired/Cancelled during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 20/01/2016

Print name: Paul Lloyd

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.