



Annual Report – Year 2
Exploration Licence 9840,
23rd July, 2003 to 22nd July, 2004

Holder: Bulgurri Diamonds

Operator: Striker Resources N.L.

Reporting Period: 23rd July 2003 to 22nd July 2004

Sheet Reference: Bauhinia Downs 1:250,000 (SE53-03)

Calvert Hills 1: 250,000 (SE53-08)

Due Date: 23rd August 2004

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SUMMARY

In late September 2003, Striker Resources NL (Striker) entered into a “Letter of Intent” with Rio Tinto with respect to the Merlin Orbit Exploration Tenements, which surround the decommissioned Merlin Diamond Mine in the Batten region of the Northern Territory.

The Merlin Orbit properties consist of six granted tenements, namely EL9058, 9768, 9840, 9893, 10189, 22101 and one exploration licence application 24192 totalling approximately 1,800km². The tenements were held by Ashton Mining Limited (‘Ashton’) (a wholly owned subsidiary of the Rio Tinto Group ‘Rio Tinto’).

Striker acquired a 100% interest in the licences, including EL9840. Striker is now the operator of the licences and has transferred the tenure to wholly owned subsidiary company ‘Bulgurri Diamonds’. Striker has agreed with Rio Tinto Ltd. to honour all existing commitments and arrangements that Rio Tinto Ltd. has entered into with respect to the exploration licences.

Due to negotiations between Striker and Rio Tinto on the formalities of the “Letter Of Intent”, diamond exploration was limited to reassessing of geophysical datasets and target selection during the reporting period between 23rd July, 2003 and 22nd July, 2004.

1.0 INTRODUCTION

This annual report outlines exploration activities undertaken by Striker Resources NL on Exploration Licence 9840 between the 23rd July, 2003 and the 22nd July, 2004. This period, saw a change of ownership for EL9840, with Rio Tinto transferring its interest to Striker Resources after a “Letter of Intent” was signed between the two parties in late September 2003.

2.0 LOCATION AND ACCESS

Exploration Licence 9840 is situated on the Bauhinia Downs (SE53-03) and Calvert Hills (SE53-08) 1:250,000 mapsheets, and the Glyde and Surprise Creek 1:100,000 topographic mapsheets in the Batten Region of the Northern Territory around 100 kilometres south of Borroloola. A tenement location map is provided as Figure 1.

3.0 TENURE

In late September 2003, Striker entered into a Letter of Intent with Rio Tinto with respect to the Merlin Orbit Exploration Tenements, which include EL9840. As a result, Rio transferred its interest to Striker with Striker agreeing to honour all existing commitments and arrangements that Rio Tinto Ltd. has entered into with respect to the exploration licences. Tenement schedule for EL9840 is outlined in Table 1 below.

Table 1: Tenement Schedule for EL10189.

Name	Status	Effective Date	Grant Date	Expiry Date	Blocks	Holder	Percentage
EL9840	grant	23/07/2002	23/07/2002	22/07/2008	6	Bulgurri Diamonds	100

The tenements were held by Ashton Mining Limited (‘Ashton’) (a wholly owned subsidiary of the Rio Tinto Group ‘Rio Tinto’), however, documents have been lodged with the Department of Industry and Resource Development to transfer holder details to ‘Bulgurri Diamonds’ a wholly owned subsidiary company Striker Resources NL.

4.0 EXPLORATION

Due to negotiations between Striker and Rio Tinto relating to the formal signing of the “Letter Of Intent”, diamond exploration was put on hold until the conclusion of these negotiations.

Due to previous exploration undertaken by both Rio Tinto and Ashton Mining Ltd on EL9058 and the surrounding tenements, several drill-ready targets have been identified in close proximity to EL9840.

In addition, the presence of significant numbers of alluvial diamonds in drainage's, emanating from EL9840 and bordering tenements, which have been recently granted, provides strong evidence for the potential for new diamond bearing kimberlite pipes.

5.0 SUMMARY

During the reporting period Striker Resources entered into a “Letter of Intent” with Rio Tinto regarding EL9840 and other licences surrounding the decommissioned Merlin Diamond Mine in the Northern Territory. Striker has agreed with Rio Tinto Ltd. to honour all existing commitments and arrangements that Rio Tinto Ltd. has entered into with respect to the exploration licences. Due to negotiations relating to the formal signing of the “Letter of Intent” diamond exploration was limited to reassessing of geophysical datasets.

The presence of repeatable micro diamonds and kimberlite indicator minerals within the drainages of the licence is worthy of further work. Follow-up bulk stream sampling is recommended and further work will depend on these results.

6.0 PROGRAM AND BUDGET

The proposed programme and budget for EL9840 for the forthcoming period 23rd July, 2004 to 22nd July, 2005 is presented below.

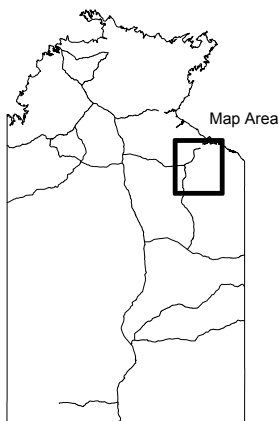
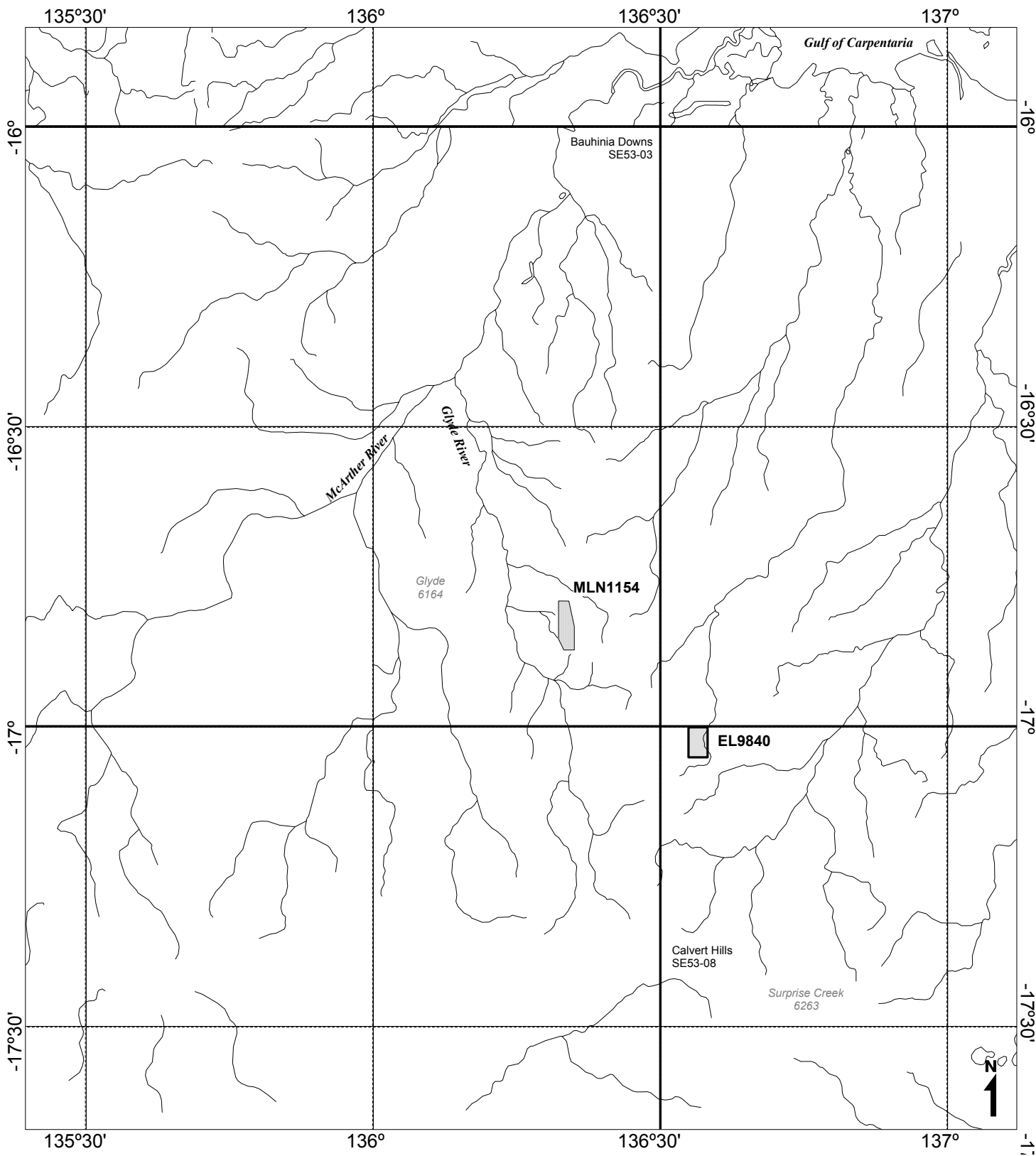
EL9840 Programme





1. Follow-up bulk stream sampling (3 x 20t samples)
2. Loam sampling (30 samples)
3. Ground Geophysical surveys of prospective areas (200 line km)
4. Trenching

Projected Expenditure: \$82,000

EL9840 Budget

Labour	12,000
Field Support / Office Staff	15,000
Travel / Accommodation / Meals	5,000
Field Supplies	5,000
Vehicles	5,000
Equipment Hire	10,000
Freight / Storage	3,000
Geophysics	18,000
Laboratory	8,000
Drafting / Computing	1,000
<hr/>	
TOTAL:	\$82,000



-  Merin Ming Lease - MLN1154
-  100k MapSheet
-  250k Mapsheet
-  EL9840

Striker Resources NL	
EL9840	
Location Map	
Figure One	
Date: 14/6/2004	
Author: MJT	
Office: Perth	
Drawing: 1	
Scale: 1:1000000	Projection: Longitude / Latitude (GDA94)
