



Annual Report – Year 2

Exploration Licence 9893,

10th September, 2003 to 9th September, 2004

Holder: Bulgurri Diamonds

Operator: Striker Resources N.L.

Reporting Period: 10th September 2003 to 9th September 2004

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

Due Date: 9th October 2004

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TABLE OF CONTENTS

LIST OF TABLES..... ii

LIST OF FIGURES..... ii

SUMMARY.....1

1.0 INTRODUCTION.....2

2.0 LOCATION AND ACCESS2

3.0 TENURE.....2

4.0 EXPLORATION.....3

5.0 SUMMARY3

6.0 PROGRAM4

LIST OF TABLES

Table 1 Tenement Schedule for EL9893

LIST OF FIGURES

Figure 1 EL9893 Location Map

SUMMARY

In late September 2003, Striker Resources NL (Striker) entered into a “Letter of Intent” with Rio Tinto Exploration Pty Ltd (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).

On 21 May, 2004 a Sale/Purchase Agreement, Deed of Assignment and Transfer Instrument were lodged at the Department (D91965, D91966, D91967). These documents concerned the transfer of 100% interest in the subject licences, including EL9893, from Ashton to Bulgurri Diamonds Pty Ltd, a wholly-owned subsidiary company of Striker Resources. Striker will be the manager of these tenures. Striker has agreed with Rio Tinto to honour all existing commitments and arrangements that Rio Tinto 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 existing datasets during the reporting period 10th September, 2003 to 9th September, 2004.

1.0 INTRODUCTION

This annual report outlines exploration activities undertaken by Striker Resources NL on Exploration Licence 9893 between the 10th September, 2003 and 9th September, 2004. This period, saw a change of ownership for EL9893, 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 9893 is situated on the Bauhinia Downs (SE53-03) 1:250,000 mapsheet, and the Glyde 1:100,000 topographic mapsheet in the Batten Region of the Northern Territory approximately 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 included EL9893. As a result, Rio transferred its interest to Striker with Striker agreeing to honour all existing commitments and arrangements that Rio Tinto. has entered into with respect to the exploration licences. Tenement schedule for EL9893 is outlined in Table 1 below.

Table 1: Tenement Schedule for EL9893

Name	Status	Effective Date	Grant Date	Expiry Date	Blocks	Holder	Percentage
EL9893	grant	10/09/2002	10/09/2002	9/09/2008	17	Bulgurri Diamonds	100

On 21 May, 2004 a Sale/Purchase Agreement, Deed of Assignment and Transfer Instrument were lodged at the Department (D91965, D91966, D91967). These documents concerned the transfer of 100% interest in EL9893, from Ashton Mining Limited (‘Ashton’) (a wholly owned subsidiary of the Rio Tinto Group), to Bulgurri Diamonds Pty Ltd, a wholly-owned subsidiary company of Striker Resources. Striker will be the manager

of these tenures.

4.0 EXPLORATION

Due to negotiations between Striker and Rio Tinto relating to the formal signing of the “Letter Of Intent”, on-ground diamond exploration was put on hold until the conclusion of these negotiations and Heritage Clearance and other traditional owner access requirements were undertaken.

5.0 SUMMARY

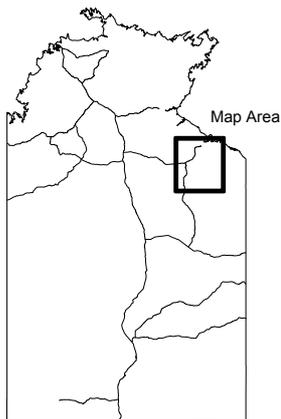
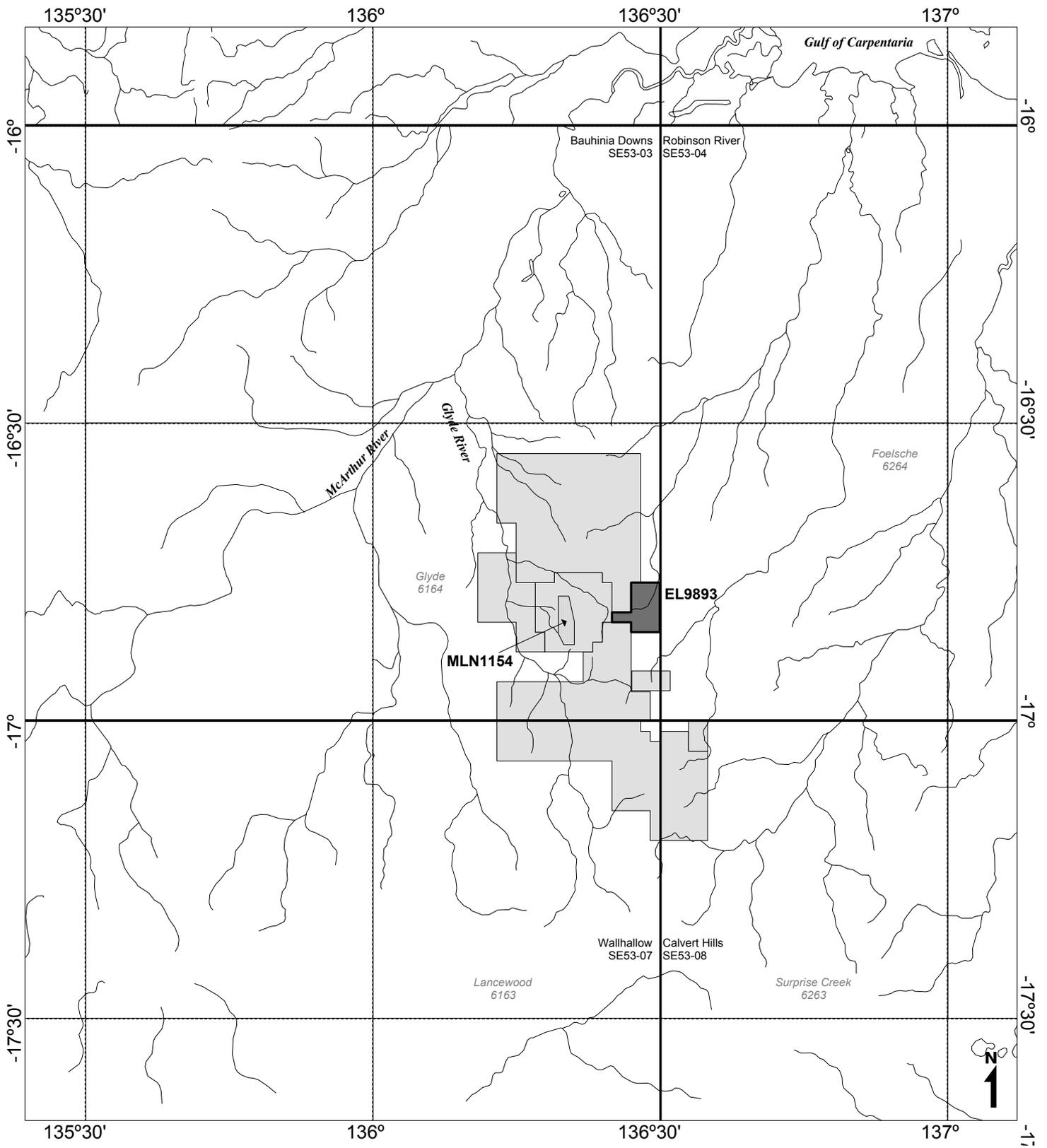
During the reporting period Striker Resources entered into a “Letter of Intent” with Rio Tinto regarding EL9893 and other licences surrounding the decommissioned Merlin Diamond Mine in the Northern Territory. Striker has agreed with Rio Tinto Ltd. to honour all existing commitments and arrangements that 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” to diamond exploration was limited to reassessing of existing datasets.

6.0 PROGRAM

The proposed programme for EL9893 for the forthcoming period 10th September, 2004 and 9th September, 2005 is presented below.

EL9893 Programme

1. Follow-up bulk stream sampling
2. Loam Sampling
3. Ground Geophysical surveys of prospective areas
4. Trenching



-  Merlin Ming Lease - MLN1154
-  100k MapSheet
-  250k Mapsheet
-  EL9893
-  Merlin Orbit Properties

Striker Resources NL	
EL9893	
Location Map Figure One	
Date: 14/6/2004	
Author: PJT	
Office: Perth	
Drawing: 1	
Scale: 1:100000	Projection: Longitude / Latitude (GDA94)
 0 10 20 40 kilometres	