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QUARTERLY REPORT

COMPANY DETAILS

ABN: 94 088 488 724

PRINCIPAL AND REGISTERED OFFICE
Level 2
31 Ventnor Avenue
West Perth WA 6005

T (08) 9214 9700

W www.strikeresources.com.au
E info@strikeresources.com.au

ASX CODE
SRK

SECURITIES ON ISSUE
30 Sept: 207,134,268 listed shares

BOARD OF DIRECTORS
Farooq Khan
(Chairman)
William Johnson
(Managing Director)
Malcolm Richmond
(Non-Executive Director)
Matthew Hammond
(Non-Executive Director)
Victor Ho
(Director)

COMPANY SECRETARY
Victor Ho
cosec@strikeresources.com.au

Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

Strike is pleased to report on the results from the Feasibility Study (**Study**) undertaken for its Paulsens East Iron Ore Project located in the Pilbara, Western Australia, with key highlights being as follows:

- Study confirms strong project economics with net cashflow of $167 Million and NPV of $140 Million over initial four-year mine life.
- 1.5 Mtpa production schedule for 4 years (6.0 Mt total), with an estimated 75% of production as DSO Lump at 62% Fe which attracts premium pricing.
- Low technical risk – conventional mining, crushing and screening and direct transport to bulk loading facility at Port Hedland.
- Low capital cost of $15.7 Million (including contingency).
- LOM production underpinned by JORC Ore Reserve of 6.2 Million tonnes at 59.9% Fe, 7.43% SiO_2, 3.77% Al_2O_3 and 0.086% P.
- Targeting first ore production during the first half of 2021 with the mining approvals process well underway.
- Offtake and funding discussions well advanced.
- Mining Proposal, Works Approvals and Project Management Plan advancing to fast-track approvals for site-works commencement.
- Investigations ongoing for further upside from potential for production of higher grade (63% - 64%) products, extension of mine life and exploitation of surface detrital material.

The Study has confirmed the potential for Paulsens East to generate **$167 Million** in **net cashflows** (pre-tax) over a four-year life of mine (**LOM**) at an average Benchmark iron ore (62% Fe Fines CFR China) price of US$100/t (US$115/t declining to US$85/t) for a pre-production capital cost of $15.7 Million.

If a Benchmark iron ore price of US$115/t (approximate to current levels) is sustained over LOM**,** Paulsens East has the potential to generate **$279 Million** in **net cashflows**.

Strike Managing Director, William Johnson:

> *"The completion of the Feasibility Study is another key milestone achieved in moving Paulsens East towards production.*
>
> *The continued strength to the iron ore price contributes to the robust economics of the Project, which are driven principally by the high-quality nature of the iron ore contained within the deposit and the low life of mine strip ratio.*
>
> *The Project has the potential to generate very significant cashflows for Strike over an initial four-year mine life with a relatively low capital cost requirement.*
>
> *Furthermore, the Project has additional upside potential with opportunities identified to potentially improve Fe grades, increase the production rate and extend the mine life".*

About Strike Resources Limited (ASX:SRK)

Strike Resources Limited is an ASX listed resource company which is developing the Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Magnetite Iron Ore Project in Peru and is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.

AUTHORISED FOR RELEASE BY - FOR FURTHER INFORMATION:

William Johnson
Managing Director
E| wjohnson@strikeresources.com.au
T| (08) 9214 9700

31 October 2020

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PROJECTS

Paulsens East Iron Ore Project, Pilbara

On 30 October 2020, Strike announced the completion of the Feasibility Study on Paulsens East, which confirmed strong project economics for a 1.5Mtpa production rate over an initial 4 year LOM with direct shipping ore (**DSO**) (lump and fines) product trucked to Port Hedland for export.[1]

Project Economics and Assumptions

The results from the Study together with key assumptions are summarised in the following tables:

Financial Metrics	Unit	Study Outcome Benchmark Iron Ore Price US$115/t[2]	Study Outcome Benchmark Iron Ore Price US$100/t[3]
Life of Mine Revenue	A$M	**1,032**	**906**
Operating Net Cashflow	A$M	**279**	**167**
NPV	A$M	**227**	**140**
IRR	%	**223**	**213**

Table 1: Study Financial Metrics (pre-tax)

Operating Metrics	Unit	Study Outcomes
Production Rate	Mtpa	1.5
Average Strip Ratio	Waste:Ore	3:1
Initial LOM	Years	4
Total Tonnes Processed	Mt	6.2
Average C1[4] Costs	US$/t	64.8

Table 2: Study Operating Metrics

Key Assumptions	Unit	Study Input Benchmark Iron Ore Price US$115/t LOM	Study Input Benchmark Iron Ore Price US$100/t LOM
Benchmark Price	US$/t	115	100
Lump to Fines Ratio	Lump:Fines	75:25	75:25
Price received – Lump (62% Fe)	US$/t	127	112
Price received – Fines (59% Fe)	US$/t	103	89
US$/A$ Exchange Rate	US$/A$	0.70	0.70

Table 3: Study Key Assumptions (average over LOM)

An economic model prepared by Strike forecasts an operating net cashflow of **$167 Million** (pre-tax) and a net present value (**NPV**) of **$140 Million** (pre-tax) over an initial four-year mine life, at an average Benchmark Price of US$100/t over LOM (US$115/t in the first year of production declining to US$85/t in the fourth year).

If the Benchmark Price is assumed to be at recent levels (US$115/t[5]) for the LOM, the forecast operating net cashflow is **$279 Million** and pre-tax NPV is **$227 Million** over the four year LOM.

1 Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns - the Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially change

2 Constant over LOM

3 Average over LOM

4 C1 Costs include mining, processing, haulage, port handling, administration and marketing, but excludes royalties, shipping, depreciation and capital charges.

5 As at 28 October 2020

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Estimated pre-production capital costs are approximately $15.7 Million (including contingencies), with an internal rate of return (**IRR**) of 213%.

An average iron ore price of US$100 per tonne[6] (62% Fe Fines, delivered CFR China) (**Benchmark Price**) has been assumed over the LOM.

Average C1 cash costs free onboard (**FOB**) across the LOM are expected to be approximately US$64.8 per tonne. The forecast Project financial metrics (NPV, IRR and Operating Net Cashflows) are calculated and shown net of applicable royalties but before deductions for tax. Strike will be subject to Australian corporate tax at an assumed rate of 30% on its taxable income. Any tax payable may potentially be reduced by utilising Strike's carried forward tax losses, which currently totals ~$25 Million[7].

Project Production Details

Strike plans a 1.5 Million tonnes per annum (**Mtpa**) production schedule of direct shipping ore (**DSO**) over a minimum four-year LOM (totalling approximately 6.0 Million tonnes). This initial production target has been determined to facilitate fast track production of lower strip-ratio material at first instance, with the opportunity to expand production once the initial production target is met and is underpinned by the Probable Ore Reserve of 6.2 Million tonnes (within the Indicated Mineral Resource of 9.6 Million tonnes).

An open cut mine is proposed, with an average forecast waste to ore ratio of 3.0 over the first four years of mining. Ore will be crushed and screened to produce DSO Lump and Fines products, with estimated average product Lump grade of 62% Fe and Fines grade of 59% Fe over the LOM. Metallurgical testwork indicates that a 75/25 (or higher) Lump/Fines split can be expected where Lump ore typically attracts a significant price premium compared to Fines. An on-site laboratory will be established for ongoing analysis of ore samples to manage grade control and ensure consistency of product grades.

Processed Lump and Fines products will be trucked from the mine to the Utah Point Multi-User Bulk Handling facility at Port Hedland (**Utah Point**), predominantly by sealed road, where it will be stockpiled prior to being loaded directly into ocean going vessels (**OGV's**) for export to customers.

Mining, crushing and screening and haulage operations will be undertaken by specialist contractors with overall supervision and management provided by Strike employed personnel.

Strike is targeting a Project development and execution timetable for first ore production to commence in the first half of calendar 2021.

Feasibility Study Development

Strike has a number of highly experienced Iron Ore Executives on its Board and Management Team. The Study has been undertaken internally with assistance and oversight from project delivery and engineering consultancy Engenium, together with contributions from external consultants. Capital and Operating Costs have been predominantly obtained from proposals and quotations from selected experienced industry service providers and contractors, supported by detailed estimates from external consultants.

Strike has a confidence level of +/- 15% in the Study's forecast Capital and Operating Costs.

Project Opportunities

Opportunities identified with the potential to have a materially positive impact on the value of Paulsens East include:

- Increasing the production rate materially above 1.5 Mtpa, given that Utah Point does not currently have export capacity restraints.
- Extending the LOM, underpinned by the balance of the existing JORC Indicated Mineral Resource inventory.
- Producing a higher grade (63 - 64%) product with Metallurgical testwork currently underway to confirm this potential.

6 The Benchmark Price is assumed to decline from US$115 per tonne in the first full year of production to US$85 per tonne in the fourth year, equating to an average of US$100 per tonne over LOM

7 Subject to compliance with Australian tax laws

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- Exploration potential based on small hematite conglomerate outcrops along the surface and a drill intersection located 1.6 kilometres along the hematite ridge at the south-eastern corner of the tenement previously identified by Strike[8] and more recently taken surface rock-chip samples grading 64.4% - 66.2% Fe identified at multiple locations in the same area.[9]
- Exploration potential based on areas of surface detrital material identified north of the hematite ridge, where screening and assay results from a sample showed a highly encouraging product grade of 60% Fe, 6.4% SiO_2 and 3.4% Al_2O_3 with a mass recovery of 83% on crushing to -32mm and simple wet screening at +1mm size (refer Figure 4).[10]

The exploration targets (referred to above) are conceptual in nature, there has been insufficient exploration to estimate a JORC Mineral Resource in respect of the same and it is uncertain if further exploration will result in the estimation of a JORC Mineral Resource in this regard.

Project Location

The Project is located ~10 kilometres from Northern Star Resources Limited's (ASX:NST) Paulsens Gold Mine, ~200 kilometres west of Paraburdoo (where a key 'FIFO' airport is located), and ~600 kilometres by road from Port Hedland (refer Figure 1).



Figure 1: Paulsens East Project Location, West Pilbara

8 Refer Strike's ASX Announcements dated 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource and 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project

9 Refer Strike's ASX Announcements dated 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project

10 Refer Strike's ASX Announcements dated 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East and 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

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For further details on the Study, refer to Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

Project JORC Mineral Resource and Ore Reserve

The Project consists of a three-kilometre-long outcropping high-grade hematite ridge, containing a **JORC Indicated Mineral Resource of 9.6 Million tonnes at 61.1% Fe**, 6.0% SiO_2, 3.6% Al_2O_3, 0.08% P (at a cut-off grade of 58% Fe).[11]

As part of the completion of the Study, part of the JORC Indicated Mineral Resource has been converted to a **maiden JORC Probable Ore Reserve** of **6.2 million tonnes at 59.9% Fe**, 7.43% SiO_2, 3.77% Al_2O_3 and 0.086% P (at a cut-off grade of 55% Fe).



Figure 2: Paulsens East Hematite Ridge

For further technical details on the maiden JORC Probable Ore Reserve estimate, refer to Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

Native Title Mining Agreement with Puutu Kunti Kurrama and Pinikura People (PKKP) Traditional Owners

On 14 August 2020, Strike entered into a Native Title Mining Agreement (**Native Title Agreement**) and State Deed (for the grant of a mining lease) (**State Deed**) with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**). The PKKPAC holds native title on trust for the benefit of the Puutu Kunti Kurrama and Pinikura People (**PKKP**) Traditional Owners.[12]

The Native Title Agreement provides an agreed framework for Strike to undertake its mining activities at the Project in a way that minimises any impacts on Aboriginal Cultural Heritage. The agreement has a strong focus on protection of Aboriginal heritage and includes effective safeguards for the care and protection of the lands and rights of the PKKP peoples. Strike has also agreed to provide a package of financial and business development related benefits for the PKKP, including an annual payment based on the value of iron ore sales, an annual training and development allowance for PKKP members together with opportunities for PKKP members to contract for the provision of certain support operations related to the Project.

11 Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project

12 Refer Strike's ASX Announcement dated 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development

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Grant of 21 Year Mining Lease

On 4 September 2020, Strike received the grant of a Mining Lease (M47/1583) for an initial term of 21 years.[13]

Test Pit Bulk Sample

In August 2020, Strike successfully completed a test pit and collected approximately three tonnes of bulk samples to provide material (reflective of the final iron ore product) for offtake discussions and marketing and for further metallurgical testing and beneficiation testwork to optimise the plant design for mine crushing and the screening circuit.[14]

The test pit was excavated close to the eastern edge of the three kilometre long outcropping hematite ridge and clearly exposed the multiple bands of high-grade hematite iron ore, which extend to depth and ~three kilometres east to west along strike (refer Figures 3 and 4).

Head Grade analyses of a 90:10 blend of high-grade hematite:waste ore by ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) confirmed that a 62% Lump product low in alumina and a 59% Fines product with a moderate level of alumina can be achieved from the Ore Reserve.



Figure 3: High grade hematite bands extending from top of ridge to depth

Hematite Rich Detrital Material at Surface

During the August 2020 test pit/bulk sample field programme, sampling from surface to a depth of 1.5 metres approximately 100 metres north of the hematite ridge indicated the presence of loose scree dominated by high-grade hematite (refer Figure 4). Screening and assay results showed a highly encouraging product grade of 60% Fe, 6.4% SiO_2 and 3.4% Al_2O_3 with a mass recovery of 83% on crushing to -32mm and simple wet screening at +1mm size.[15]

Detrital iron ore deposits are formed by weathering and erosion of outcropping iron mineralisation, with such eroded material often being found at the base of outcropping ridges of mineralised rock (as at Paulsens East) presenting itself as pebbles and fine gravel mixed up with soil and alluvium (refer also Figure 4).

The technique for mining and upgrading detrital iron ore typically includes simple excavation (e.g. using a bulldozer and front end loader) and minor crushing to the required top size together with relatively inexpensive dry or wet screening. Because the detrital material is already broken and reduced in size, strip ratios are exceptionally low and no drilling or blasting would typically be required. Thus, potential exists for significant savings in the cost of mining surface detrital materials, compared to mining normal bedrock deposits.

13 Refer Strike's ASX Announcement dated 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project

14 Refer Strike's ASX Announcement dated 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East

15 Refer Strike's ASX Announcement dated 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East and 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

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Figure 4: Test pit at eastern end of outcropping hematite ridge with detrital material at surface in foreground

In October 2020, Strike completed a sampling programme to test the potential extent and quality of the detrital material at Paulsens East. 50 pits were excavated (varying in depth from 0.25 metre and up to 3 metres deep in places, with the depth typically increasing further away from the base of the hematite ridge) over an area totalling 8.1 hectares where surface detrital material was visible.[16] Samples have been sent for metallurgical test work and analysis to determine the Fe grade, impurities and the best manner for the detrital material to be upgraded to a DSO product.

Other Activities During September Quarter

During the September Quarter, Strike:

- Entered into access agreements with various stakeholders to facilitate the grant of Miscellaneous Licences required for haulage and access roads and other infrastructure to support mining operations.
- Completed a geophysical survey to identify suitable locations (on the Mining Lease) for potential water bores to service mining operations. A number of water bores were drilled and flow tested with a report being compiled to facilitate a formal water licence application in due course. Pump testing from three water bore demonstrated the potential to provide sufficient water for construction and mining operations.
- Completed a drone topography survey for the proposed haulage road from the mine site to Nanutarrra Road.
- Completed a marketing study to identify potential customers and likely product pricing (premium Lump vs Fines pricing utilising the 62% Fe Benchmark Price index).
- Advanced the completion of a Surface Water Management Study.

16 Refer Strike's ASX Announcement dated 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

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- Advanced discussions with potential providers/operators of camp facilities and infrastructure.
- Advanced commercial discussions with potential providers of drill and blast, mining and crushing services.
- Advanced commercial discussions with Campbell Transport for their engagement as truck haulage contractors.[17]
- Advanced the finalisation of a Mining Proposal for submission to the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) for approval to undertake mining operations on the Mining Lease.

Activities Proposed for December Quarter

The following Paulsens East related milestones, activities and work programmes are planned/underway for the December quarter:

- Completion of metallurgical testing and beneficiation testwork on three-tonne test pit bulk sample collected in August 2020.
- Completion of analysis and testwork on hematite rich detrital samples collected from 50 shallow (0.25 – 3 metre) pits excavated along a 1.5km strike length on the northern side of the hematite ridge.
- The conclusion of all remaining access agreements to pave the way for the grant of Miscellaneous Licences required for mining operations.
- The finalisation and submission of the Mining Proposal (for approval to undertake mining operations on the Mining Lease) to DMIRS. Strike notes that DMIRS has a published internal target of processing Mining Proposals for approval within 30 business days.
- Undertake residual Heritage Surveys required and secure all required clearances from the PKKP, for proposed mining operations.
- Advancing contract negotiations with potential/preferred providers in respect of mine site construction, haulage and access roads construction, drill and blast, mining and crushing services, fuel supply and on-site fuel facility installation, telecommunications installation, camp facilities and other related infrastructure and services in support thereof.
- Continued engagement with the preferred haulage contractor.
- Continued engagement with the Pilbara Ports Authority (**PPA**) to utilise the Utah Point Multi-User Bulk Handling facility at Port Hedland.
- Advancing offtake agreements.
- Advancing all applications for permits, licences and other regulatory approvals required for proposed mining operations (ie. DMIRS, Department of Water and Environmental Regulation (**DWER**), Main Roads WA).
- Development of appropriate systems and processes for Health and Safety, Environmental Management, Heritage Management, Risk Management, Contractor Management and Compliance.

ASX Announcements

For further reference, refer to Strike's ASX Announcements on Paulsens East released during the quarter and to the date of this report:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns
- 26 October 2020: Iron Detrital Sampling Programme Completed at Paulsens East
- 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East
- 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project
- 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East

17 Refer Strike's ASX Announcement dated 29 April 2020: MOU Executed for Iron Ore Haulage Services with Campbell Transport for Paulsens East Iron Ore Project

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- 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development
- 22 July 2020: Native Title Agreement Progress to Final Stage
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project

Apurimac Iron Ore Project, Peru

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation.



Figure 5: Strike Apurimac and Cusco Iron Ore Projects, showing route of proposed Andahuaylas Railway

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.8% Fe and 127 Mt Inferred Resource at 56.7% Fe).[18]

In addition to the current JORC resource, there is significant exploration potential given the deposits are open at depth and along strike (with very promising drill results including 154m @ 62% Fe) with extensive undrilled gravity and magnetic anomalies.

18 Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

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A Pre-Feasibility Study completed in 2008[19] and updated in 2010[20] on the Apurimac Project indicated clear potential for development of a world class iron ore project, with competitive capital costs and very low operating costs:

- The 2008 Pre-Feasibility Study undertaken by Snowden Mining Industry Consultants and SKM utilised a proposed slurry pipeline configuration but considered a range of infrastructure options including a railway. The concentrate pipeline was the preferred transport solution (under the study) as the additional capital cost of building a railway compared to a slurry pipeline outweighed the operational and other benefits of a railway. For further details, refer to Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru;
- Further infrastructure studies were undertaken by Ausenco Sandwell and SRK Consulting in 2010, including a more detailed technical and costing study on building and operating a dedicated railway. The purpose of these studies was to further compare the economics of the slurry pipeline versus railway infrastructure solutions at various production levels. For further details, refer to Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report.

The Ministry of Transport and Communications in Peru (**MOTC**) has awarded a tender to an international consortium of engineering companies (Consorcio Ferrocarril Del Sur, the **Southern Railway Consortium**)[21] to complete a study on the construction of a multi-user railway from the inland city of Andahuaylas in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**)[22] (refer also Figure 5).

Strike's Apurimac Project is located only 20km from the city of Andahuaylas. The proposed Andahuaylas Railway (approximately 570km in length) would provide a direct link from Strike's Project to an established mineral export port, significantly improving the Apurimac Project's development prospects.

Strike has entered into a Cooperation and Confidentiality Agreement with the Southern Railway Consortium, to share its own railway study[20], provide input and advice and otherwise cooperate with the consortium in whatever way it can to expedite the completion of its feasibility study.[23]

Strike understands that the Southern Railway Consortium has selected the preferred route for the Andahuaylas Railway, which aligns with the route previously identified by Strike in its own studies. This route leads directly to the existing airport at Andahuaylas, which is located only several hundred metres from Strike's main Opaban I deposit.

The development of the Andahuaylas Railway would provide significantly improved development options for the Apurimac Project, which would be one of the biggest users of the railway. A railway connecting Apurimac to a port would provide Strike the ability to attract premium pricing for high-grade lump and fines products, compared to a concentrate product delivered through an alternative slurry pipeline. In addition, a railway will allow for capital and processing costs at the mine to be substantially reduced, given the considerably simplified process to produce lump and fines products from Strike's high-grade ore compared to producing a slurry concentrate.

Due to the impact of the COVID-19 pandemic, Strike understands that the Southern Railway Consortium's Andahuaylas Railway Study has been delayed beyond its original published timetable (of mid-2020). In addition, Strike notes that the Peruvian Government has also restricted the ability of mining companies to undertake exploration activities due to the COVID-19 pandemic and Strike believes this will have an impact on any advancement of this project in the short-term.

19 Refer Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru

20 Refer Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report

21 Refer Strike's ASX Announcement dated 24 October 2018: Peru Government Awards $13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port

22 Refer Strike's ASX Announcement dated 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port

23 Refer Strike's ASX Announcement dated 18 April 2019: Strike Enters into Cooperation Agreement with Peru Railway Consortium

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Solaroz Lithium Project (Argentina)

Strike holds a 90% interest in the highly prospective Solaroz Lithium Brine Project (**Solaroz**) within South America's 'Lithium Triangle' in North-West Argentina.

Solaroz comprises 8 exploitation concessions totalling 12,000 hectares (**Solaroz Concessions**) located in Jujuy Province in northern Argentina and is located in the same Salar de Olaroz Basin as the producing Salar de Olaroz Lithium Brine Project operated by Orocobre Limited (ASX:ORE) (and its JV partner, Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) and concessions held by Lithium Americas Corporation (TSX:LAC) (refer Figure 6).

Strike has submitted an Environmental Impact Assessment (**EIA**) Report for a 2 year exploration programme at Solaroz with the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at Solaroz) for review.[24]

Strike understands that review and approval of the EIA Report has been delayed as a consequence of COVID-19 issues in Argentina. The Argentine authorities have also restricted the ability of mining companies to undertake exploration activities due to COVID-19.

Strike continues to monitor the situation in Argentina and will advise shareholders of developments as they occur.

For further details about Solaroz, refer to Strike's ASX Announcements:

- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle, a copy of which is attached to this Half Year Report.
- 17 April 2019: Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina.
- 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina.

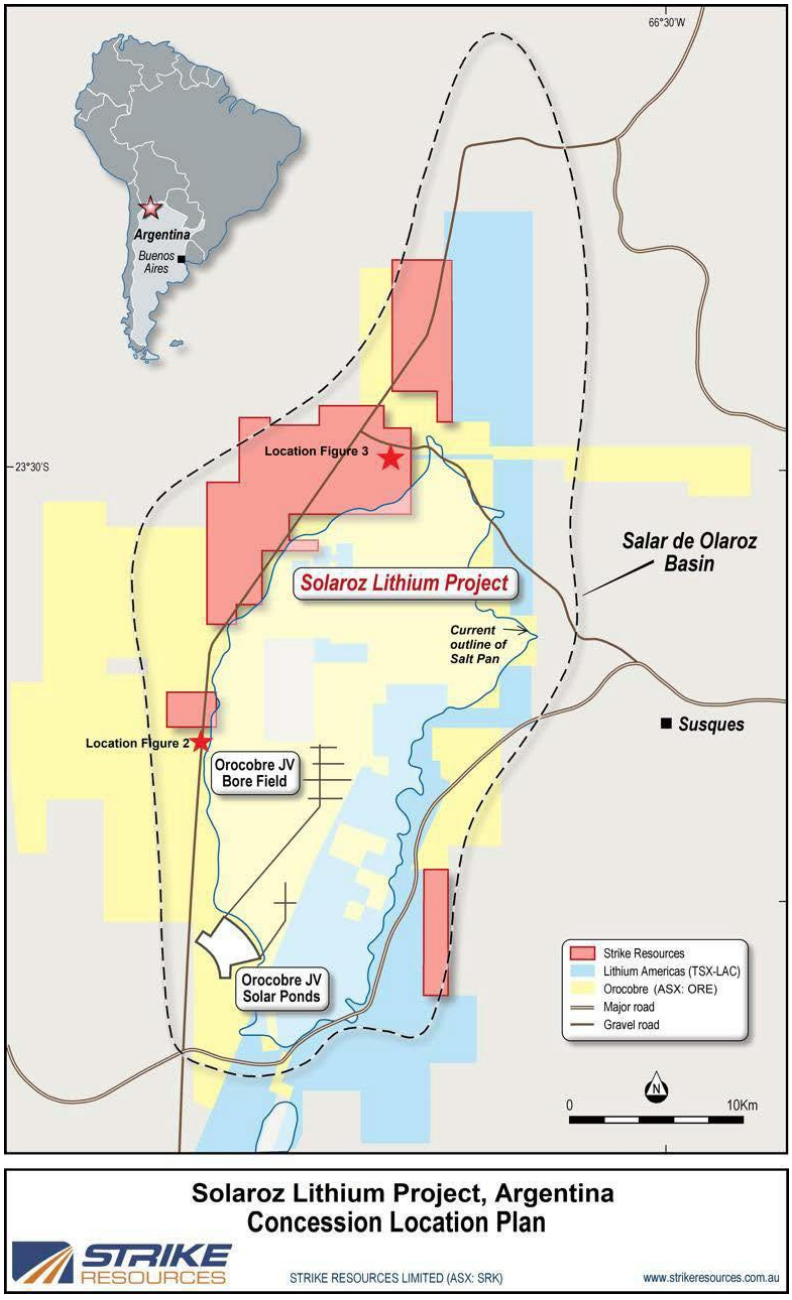


Figure 6: Solaroz Project – Location of Concessions

8 Refer Strike's ASX Announcement dated 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina

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Burke Graphite Project, Queensland

Strike's Burke Graphite Project (in which Strike holds a ~70% interest) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

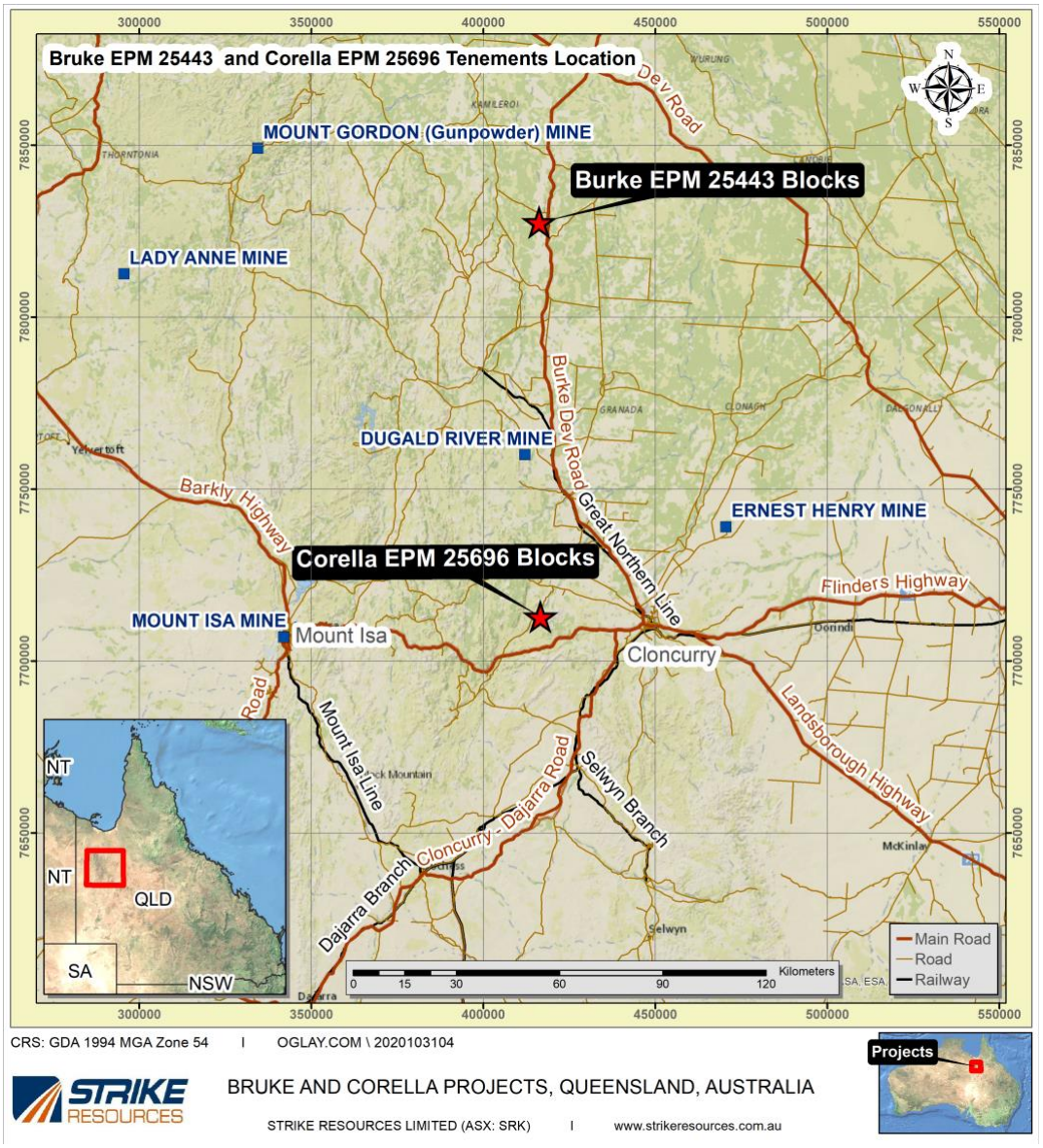


Figure 7: Burke Graphite Project Tenement Location in North Central Queensland

A Mineral Resource Estimate (**MRE**) for the project has defined a maiden Inferred Mineral Resource of[25]:

- **6.3 million tonnes @ 16.0% Total Graphitic Carbon (TGC)** for **1,000,000 tonnes** of contained graphite;
- Within the mineralisation envelope there is included higher grade material of **2.3 million tonnes @ 20.6% TGC** (with a TGC cut-off grade of 18%) for **464,000 tonnes** of contained graphite which will be investigated further.

25 Refer Grade Tonnage Data in Table 2 of CSA Global's Burke Graphite Project MRE Technical Summary dated 9 November 2017 (attached as Annexure A of Strike's ASX Announcement dated 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits).

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In addition to the high-grade nature of the deposit, the Burke Graphite Project:

- Comprises natural graphite that has been demonstrated to be able to be processed by standard flotation technology to international benchmark product categories. The flotation tests conducted by Independent Metallurgical Operations Pty Ltd (**IMO**) have confirmed that a concentrate of purity **in excess of 95% and up to 99% TGC** can be produced using a standard flotation process;
- Contains graphite from which Graphene Nano Platelets (GNP) have been successfully extracted direct from the Burke Graphite deposit via Electrochemical Exfoliation (ECE). The ECE process is relatively low cost and environmentally friendly compared to other processes, yet it can produce very high purity Graphene products. The ECE process is however not applicable to the vast majority of worldwide graphite deposits as it requires a TGC of over 20% and accordingly the Burke Deposit has potentially significant processing advantages over other graphite deposits;
- Is located in the relatively safe and mining friendly jurisdiction of Queensland, Australia with well-developed transport infrastructure and logistics nearby; and
- Is potentially amenable to low cost open-pit mining.

A ground Electro Magnetic (**EM**) survey has been completed, covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017[26]) and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443). The EM survey identified the Corella Prospect as a significant target area for additional high grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke Prospect.[27]

No material activity was undertaken on this project during the quarter.

For further technical details about the Burke Graphite Projects, refer to Strike's ASX announcements dated:

- 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland.
- 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project.
- 21 June 2017: Further High-Grade Intersection Encountered at Burke Graphite Project.
- 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production.
- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits.
- 22 January 2018: Burke Graphite Project - Update.
- 26 June 2018: Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys.

26 Refer Strike's ASX announcements dated 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project and 21 June 2017: Further High-Grade Intersection Encountered at Burke Graphite Project

27 Refer Strike's ASX Announcement dated 26 June 2018: Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys

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CORPORATE

Summary of Expenditure Incurred

A summary of expenditure incurred by the Consolidated Entity during the quarter, in relation to cash flows from operating activities reported in the Appendix 5B Cash Flow Report is as follows:

For Current Quarter ending 30 September 2020	Consolidated Entity $'000
Exploration & evaluation expenses	1
Personnel expenses	101
Occupancy expenses	11
Corporate expenses	123
Administration expenses	35
Total Expenses	**271**

In addition, the Consolidated Entity incurred $855k on capitalised Exploration & Evaluation expenditure during the quarter, predominantly in relation to the Paulsens East Iron Ore Project.

Payments to Related Parties

During the quarter, Strike paid a total of $101k in respect of Directors' remuneration, comprising salaries, fees, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

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LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the quarter and currently (save as indicated below):

Apurimac Iron Ore Project (Peru) (Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No
Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
Ferrum 1 *	965	Andahuaylas	010298304	No 00228-2005-INACC/J Jan 19, 2005	11053798
Ferrum 4 *	1,000	Andahuaylas/ Aymaraes	010298604	No 00230-2005-INACC/J Jan 19, 2005	11053810
Ferrum 8 *	900	Andahuaylas	010299004	No 00232-2005-INACC/J Jan 19, 2005	11053827
Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
Ferrum 37 *	695	Andahuaylas	010621507	RP 1164-2008-INGEMMET/PCD/PM May 12, 2008	11076534
Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010	11102187
Sillaccassa 1 *	700	Andahuaylas	010212508	RP 5088-2008-INGEMMET/PCD/PM Nov 19, 2008	11084877
Sillaccassa 2 *	400	Andahuaylas	010212608	RP 3183-2008-INGEMMET/PCD/PM Sept 8, 2008	11081449

Cusco Iron Ore Project (Peru) (Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No.
Flor de María *	907	Chumbivilcas	05006521X01	No 7078-95-RPM Dec 29, 1995	20001742
Delia Esperanza *	1,000	Chumbivilcas	05006522X01	No 0686-95-RPM Mar 31, 1995	20001743
El Pacífico II *	1,000	Chumbivilcas	05006524X01	No 7886-94/RPM Nov 25, 1994	20001746

* Strike has determined not to renew the annual fees and charges in respect of these concessions, which will now proceed to forfeiture. The rationalisation of the Peru concessions occurred after a strategic review of each concession's exploration/resource prospects/potential vis a vis the costs of renewal and the development options associated with the Apurimac and Cusco Projects.

Solaroz Lithium Brine Project (Argentina) (Strike – 90%)

Concession Name	Area (Ha)	Province	File No
Mario Ángel	543	Jujuy	1707-S-2011
Payo	990	Jujuy	1514-M-2010
Payo I	1,973	Jujuy	1516-M-2010
Payo 2	2,193	Jujuy	1515-M-2010
Chico I	835	Jujuy	1229-M-2009
Chico V	1,800	Jujuy	1312-M-2009
Chico VI	1,400	Jujuy	1313-M-2009
Silvia Irene	2,465	Jujuy	1706-S-2011

Paulsens East Project (Western Australia) (Strike – 100%)

Tenement No.	Grant Date	Expiry Date	Area (Ha)	Area (km²)
Mining Lease ML 47/1583	4/9/2020	3/9/2041 (initial term of 21 years)	381.87	~3.82

Burke Graphite Project (Queensland) (Strike – ~70%)

Tenement No.	Grant Date	Expiry Date	Area (blocks)	Area (km²)
Burke EPM 25443	4/9/2014	3/9/2024	2 sub-blocks #	~6.58
Corella EPM 25696	2/4/2015	1/4/2025	6 sub-blocks +	~19.74

\# 3 sub-blocks (~9km^2) were relinquished as part of the 5 year renewal of EPM 25443

\+ 5 sub-blocks (~15km^2) were relinquished upon the 5 year renewal of EPM 25696

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JORC MINERAL RESOURCES

Paulsens East Iron Ore Project (Australia) (Strike – 100%)

The Paulsens East Iron Ore Project has a JORC Code (2012 Edition) compliant Indicated Mineral Resource:

Mineral Resources Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO_2%	AL_2O_3%	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

Refer also to Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project.

Part of the JORC Indicated Mineral Resource has been converted to a maiden JORC Probable Ore Reserve

Ore Reserves Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO_2%	AL_2O_3%	P%
Probable	>55	6.2	59.9	7.43	3.77	0.086

Refer also to Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

Apurimac Iron Ore Project (Peru) (Strike – 100%)

The Apurimac Project has a JORC Code (2012 Edition) compliant Mineral Resource of 269.4 Mt, consisting of:

- a 142.2 Mt Indicated Mineral Resource at 57.8% Fe; and
- a 127.2 Mt Inferred Mineral Resource at 56.7% Fe.

Category	Concession	Density t/m^3	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Total Indicated and Inferred			**269.4**	**57.3**	**9.4**	**2.56**	**0.04**	**0.16**

The information in this JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 11 February 2010: Peruvian Apurimac Iron Ore Project Resource Increased to 269 Million Tonnes*) and has subsequently been upgraded to comply with the 2012 JORC Code and disclosed in Strike's ASX Announcement dated 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard.*

Burke Graphite Project (Australia) (Strike – ~70%)

The Burke Graphite Project has a JORC Code (2012 Edition) compliant Mineral Resources:

Category	Weathering State	Mt	TGC (%)	Contained Graphite (Mt)	Density (t/m)
Inferred	Oxide	0.5	14.0	0.1	2.5
	Fresh	5.8	16.2	0.9	2.4
Inferred	**Total Oxide + Fresh**	**6.3**	**16.0**	**1.0**	**2.4**

Note: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 5% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.

Refer also Grade Tonnage Data in Table 2 of CSA Global Pty Ltd's Burke Graphite Project MRE Technical Summary dated 9 November 2017 (attached as Annexure A of Strike's ASX Announcement dated 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits).

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JORC CODE COMPETENT PERSON'S STATEMENTS

JORC Code (2012) Competent Person Statement - Paulsens East Mineral Resources

The information in this document that relates to **Mineral Resources and related Exploration Results/Exploration Targets** (as the case may be, as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project.

The information in the original announcements that relates to these Mineral Resources and related Exploration Results (as applicable) is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Jones (BAppSc (Geol), MAIG, MAusIMM), who is a Member of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). Mr Jones is an independent contractor to Strike Resources Limited. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this document that relates to **Ore Reserves** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

The information in the original announcement that relates to these Ore Reserves is based on and fairly represents information and supporting documentation compiled by Mr Harry Warries (MSc – Mine Engineering, FAusIMM), who is a Fellow of AusIMM. Mr Warries is the Principal of Mining Focus Consultants Pty Ltd, a Consultant to Strike Resources Limited. Mr Warries has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2019** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns
- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities.

The information in the original announcements that relates to these metallurgical test work matters is based on and fairly represents information and supporting documentation compiled by Mr Philip Jones (BAppSc (Geol), MAIG, MAusIMM), who is a Member of the AusIMM and AIG. Mr Jones is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) on samples collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork reports. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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The information in this document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2020** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

The information in the original announcement that relates to these metallurgical test work matters is based on and fairly represents information and supporting documentation compiled by Dr Michael J Wort (FAusIMM CP(Met)), who is a Fellow of AusIMM and a Chartered Professional Engineer. Dr Wort is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS IOTC on samples collected under the direction of Dr Wort and fairly represents the information compiled by him from the ALS IOTC testwork reports. Dr Wort has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to **Other Exploration Results and Exploration Targets** (as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 14 October 2020: Discovery of High-Grade Iron Rich Detritals at Surface at Paulsens East
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource at Paulsens East

The information in the original announcements that relate to these Other Exploration Results and Exploration Targets (as applicable) is based on, and fairly represents, information and supporting documentation prepared by Mr Hem Shanker Madan (Honours and Masters Science degrees in Applied Science), who is a Member of AusIMM. Mr Madan is an independent contractor to Strike Resources Limited and was formerly the Managing Director (September 2005 to March 2010) and Chairman (March 2010 to February 2011) of Strike Resources Limited. Mr Madan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

JORC Code (2012) Competent Person Statement - Apurimac Project Mineral Resources

The information in this document that relates to **Mineral Resources** in relation to the Apurimac Iron Ore Project (Peru) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard.

The information in the original announcement that relates to these Mineral Resources and other Exploration Results (as applicable) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of AusIMM. Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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JORC Code (2012) Competent Person Statement – Solaroz Lithium Brine Project

The information in this document that relates to **Exploration Targets** in relation to the Solaroz Lithium Brine Project (Argentina) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle.

The information in the original announcement that relates to these Exploration Targets is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of AIG. Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

JORC Code (2012) Competent Person Statement - Burke Graphite Project Mineral Resources

The information in this document that relates to **Mineral Resources** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits.

The information in the original announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to these Mineral Resources is based on information compiled by Mr Grant Louw (an employee of CSA Global Pty Ltd) under the direction and supervision of Dr Andrew Scogings (employed by CSA Global Pty Ltd at the date of the original announcement). Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of AIG and AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this document that relates to **metallurgical test work** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production.
- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits.

The information in the original announcements that relates to these metallurgical test work matters is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of AusIMM. Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who was engaged by Strike Resources Limited to provide metallurgical consulting services. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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The information in this document that relates to **Exploration Results** in relation to the **ground Electro-Magnetic (EM) survey and other Exploration Results** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland.
- 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project.
- 21 June 2017: Further High-Grade Intersection Encountered at Burke Graphite Project.
- 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production.
- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits.
- 26 June 2018: Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys.

The information in the original announcements that relates to these Exploration Results in relation to the ground Electro-Magnetic (EM) survey and other Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of AIG. Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The Strike ASX market announcements referred to above may be viewed and downloaded from the Company's website: www.strikeresources.com.au or the ASX website: www.asx.com.au under ASX code "SRK".

FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Strike, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Strike and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Strike believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Strike does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

Rule 5.5

Appendix 5B
Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity
STRIKE RESOURCES LIMITED (ASX:SRK) and its controlled entities

ABN	Quarter Ended (current quarter)
94 088 488 724	**30 September 2020**

Consolidated statement of cash flows		**Current Quarter Sep-2020 $A' 000**	**Year to Date 3 months $A' 000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	**-**	**-**
1.2	Payments for		
	(a) exploration & evaluation	**(1)**	**(1)**
	(b) development	**-**	**-**
	(c) production	**-**	**-**
	(d) staff costs	**(101)**	**(101)**
	(e) administration and corporate costs	**(169)**	**(169)**
1.3	Dividends received (see note 3)	**-**	**-**
1.4	Interest received	**1**	**1**
1.5	Interest and other costs of finance paid	**-**	**-**
1.6	Income taxes paid	**-**	**-**
1.7	Government grants and tax incentives	**38**	**38**
1.8	Other (provide details if material)	**-**	**-**
1.9	**Net cash from / (used in) operating activities**	**(232)**	**(232)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	**-**	**-**
	(b) tenements	**-**	**-**
	(c) property, plant and equipment	**-**	**-**
	(d) exploration & evaluation	**(855)**	**(855)**
	(e) investments	**-**	**-**
	(f) other non-current assets	**-**	**-**

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Consolidated statement of cash flows	Current Quarter Sep-2020 $A' 000	Year to Date 3 months $A' 000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	**(855)**	**(855)**
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	**-**	**-**
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	**3,243**	**3,243**
4.2 Net cash from / (used in) operating activities (item 1.9 above)	**(232)**	**(232)**
4.3 Net cash from / (used in) investing activities (item 2.6 above)	**(855)**	**(855)**
4.4 Net cash from / (used in) financing activities (item 3.10 above)	**-**	**-**
4.5 Effect of movement in exchange rates on cash held	**(10)**	**(10)**
4.6 Cash and cash equivalents at end of period	**2,146**	**2,146**

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5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current Quarter $A' 000**	**Previous Quarter $A' 000**
5.1	Bank balances	2,096	3,193
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,146**	**3,243**

6.	**Payments to related parties of the entity and their associates**	**Current Quarter $A' 000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(101)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	**-**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A' 000**	**Amount drawn at quarter end $A' 000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	**-**

Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Nil

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8.	**Estimated cash available for future operating activities**	**$A' 000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(232)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(855)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,087)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,146
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,146
8.7	**Estimated quarters of funding available** (item 8.6 divided by item 8.3)	**1.97**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Strike's expenditure during the September 2020 quarter (including payments for exploration & evaluation classified as investing activities) related predominantly to the development of its Paulsens East Iron Ore Project (**Paulsens East**), including undertaking activities towards the finalisation of a Feasibility Study, which was completed as announced on 30 October 2020 (Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Return) (**Feasibility Study Announcement**). As such, the September 2020 quarter expenditure is not necessarily reflective of Strike's indicative/likely expenditure in future quarters.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As outlined in the Feasibility Study Announcement, the development of Paulsens East into production will require Strike to raise additional capital. Strike has addressed the basis upon which the necessary funding to bring Paulsens East into production may be obtained in Section 5 (Funding) on page 26 of the Feasibility Study Announcement.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Strike will manage its expenditure in future quarters having regard its cash and liquid investments (refer listed securities portfolio below) position at that time and any additional capital raised to fund the development of the Paulsens East Iron Ore Project into production (as outlined in the Feasibility Study Announcement).

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

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Authorised By:



31 October 2020

William Johnson
Managing Director

See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. The **Company and its controlled entities** currently holds the following listed share investments:

			30-Sep-20	
ASX code	**Company**	No Shares	Last Bid Price	Market Value
S32	South32 Limited	65,000	$2.04	$132,600
	Other listed shares	various	various	$62,216
				$194,816

The above investments are regarded as liquid assets to supplement the Company's cash reserves.

2. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

3. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

5. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"

6. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

William Johnson
Managing Director
T | (08) 9214 9700 **E |** cosec@strikeresources.com.au

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