

QUARTERLY REPORT

COMPANY DETAILS

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ASX CODE

SRK

SECURITIES ON ISSUE

145,334,268 listed shares
3,000,000 unlisted options

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

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FOR FURTHER INFORMATION

William Johnson

Managing Director

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30 April 2018

QUARTERLY ACTIVITIES

Strike Resources Limited (**Strike**) presents its Quarterly Report for the quarter ended 31 March 2018.

As at 31 March 2018, Strike had net assets of ~\$5.306 million (comprising ~\$2.884 million gross cash, ~\$1.725 million investments¹ and ~\$0.739 million in other assets less provisions/accruals/trade creditors of ~\$0.042 million).

Apurimac Iron Ore Project (Peru)

The Ministry of Transport and Communications in Peru (**MOTC**) has initiated a process to build a railway line starting close to Strike's Apurimac Iron Ore Project to the export Port of San Juan de Marcona on the west coast of Peru.

The railway if constructed will represent a paradigm shift in project economics for Strike's Apurimac Project, facilitating the development of Strike's long-held objective to develop a 20Mtpa iron ore mine. Rail transport allows the potential for the Apurimac Project to be one of the lowest cost iron ore mines in the world.

During the quarter, the Company held talks in Peru with representatives of the Peru Government and MOTC regarding the proposed railway. The Company plans to recommence activity on the Apurimac Project shortly, subject to the advancement of the plans for railway development.

The Company has also entered into a MOU relating to the Apurimac Project with a major Chinese infrastructure group, Dalian Huarui Heavy Industry Group (DHHI).

Burke Graphite Project (Queensland)

A ground based Electromagnetic Survey has recently commenced as a precursor to further drilling being planned for the June/September quarters.

About Strike Resources Limited (ASX:SRK)

[Strike Resources](http://www.strikeresources.com.au) is an ASX listed resource company, owner of the high grade [Apurimac Magnetite Iron Ore Project](#) and [Cusco Magnetite Iron Ore Project](#) in Peru and is currently developing its [Burke Graphite Project](#) in Queensland and [lithium](#) exploration tenements in Western Australia.

¹ Investments comprise liquid investments in a diversified portfolio of various ASX 200 listed resource stocks, undertaken as part of a capital management strategy

PROJECTS

Apurimac Iron Ore Project, Peru

Between 2006 and 2014, Strike’s primary focus was on the development of its [Apurimac Magnetite Iron Ore Project](#) in Peru, 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.

Adverse market conditions however led Strike in 2014 to suspend all development activities on this and its other iron ore projects in Peru.²

However, the Ministry of Transport and Communications in Peru (**MOTC**) recently announced that it is to undertake a formal study to build 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**).³



Figure 1: Route of proposed Andahuaylas Railway connecting Strike’s Apurimac Project to Port of San Juan de Marcona

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

Strike understands that the primary motivation behind the MOTC Andahuaylas Railway initiative is to provide economic stimulation to the relatively poorer regions of Ica, Arequipa, Ayacucho and Apurimac. The Apurimac Region in particular is positioned well inland and has historically suffered from lack of good transport infrastructure connecting it to the coastal areas and the Peru capital, Lima.

² Refer Strike’s ASX Announcements dated 28 February 2014: [Legal Injunction and Suspension of Operations in Peru](#), 13 March 2014 [Lifting of Injunction and Strategic Review](#) and 14 April 2014: [Exit from Peru](#)

³ Refer Strike’s ASX Announcement dated 8 February 2018: [Peru Government Plans Railway Linking Strike’s Apurimac Iron Ore Project to Port](#)

The scale of Strike's Apurimac Project, if it proceeds through the Andahuaylas Railway, is likely to provide for very significant economic benefits to the Apurimac Province in terms of both direct investment and job creation. Other mineral projects in the Apurimac and Cusco Regions are also likely to directly benefit from the Andahuaylas Railway.

A railway has always been considered as the best infrastructure solution for this Project, given the high-grade nature of the iron ore deposit: The exceptionally high grade 57% Fe at Apurimac is almost twice as high as magnetite deposits developed in Australia; ore bodies are coarse grained and relatively soft, resulting in potentially cheaper processing costs once in production.

A railway connecting the Project to a Port will 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.

A Prefeasibility Study completed in 2008⁴ and updated in 2010⁵ on the Apurimac Project indicated clear potential for development of a world class iron ore project:

- JORC Indicated and Inferred Mineral Resource at the main Opaban I/III concessions of 269Mt of iron ore at 57.3% Fe (142 Mt Indicated Resource at 57.84% Fe and 127 Mt Inferred Resource at 56.7% Fe).
- Mineralisation predominantly high-grade, coarse-grained magnetite providing comparatively high mass recoveries (>60%) at coarse grind size (>500 microns).
- Excellent exploration potential within current concessions with several targets containing ironstones grading >60% Fe in similar geological settings to the main Opaban concessions.
- Base case of 20Mtpa of concentrate produced by open pit mining and processing 20 – 27Mtpa of ore with transport of the high grade (>66% Fe) product to the coast via a slurry pipeline for drying and shipment to customers.
- Attractive life-of-mine operating expenses (2010) of US\$17 – 20 per tonne of product.
- Estimated capital expenditure (2010) of US\$2.6 – 2.9 billion, competitive with other major iron ore projects at the time.

In the 2008 Prefeasibility Study, Snowden Mining Industry Consultants (Snowden) and SKM determined that a concentrate pipeline was the preferred transport solution for the Apurimac Project, as the additional capital cost to Strike of building a railway compared to a slurry pipeline outweighed the operational and other benefits of a railway.

In 2010, Consultants Ausenco Sandwell undertook further infrastructure studies, 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 slurry concentrate versus railway infrastructure solutions at two reduced production levels, being 10 Mtpa and 15 Mtpa.

In these trade-off studies, the total average cost of mining, processing and transporting to port 10 to 15 Mtpa of lump and fines products by rail (assuming the railway was owned and operated by Strike) from Strike's Apurimac Project was estimated to be approximately US\$16.50 to US\$14.60 per tonne (respectively).

4 Refer Strike's ASX Announcement dated 23 July 2008: [Prefeasibility Results Confirm World Class Prospects in Peru](#)

5 Refer Strike's ASX Announcement dated 23 November 2010: [Apurimac Project Update](#) and Strike's [December 2010 Quarterly Report](#)

A production profile of 20 Mtpa is expected to provide even greater operating efficiencies and would position Strike's Apurimac Project as potentially one of the lowest cost iron ore producers in the world.

Since that time, Strike has continued to evaluate its development options for the Project. With falling iron ore prices and a global investment climate in recent years not supportive of large scale iron-ore related infrastructure projects, Strike has acted to minimise its Project related costs until market conditions improved.

With spot prices for iron ore strengthening from the lows of approximately US\$40 per tonne in 2015 to approximately US\$70/t today (and highs of approximately US\$90/t in 2017), the timing of the MOTC initiative, being co-incident with strengthening iron ore prices, is considered by Strike to be extremely positive for the Project.

The Company is highly encouraged by the prospect of the Andahuaylas Railway and is currently planning to re-start project activity in Peru, subject to the development timetable of the railway.

MOU with Chinese Dalian Huarui Heavy Industry Group

During the quarter, Strike and Dalian Huarui Heavy Industry Group Co. Ltd. (**DHHI**) from China, executed a Memorandum of Understanding (**MOU**) in relation to the development of Strike's Apurimac Project and associated rail and port infrastructure in Peru⁶.

DHHI (www.dhhi.com.cn) is a large Chinese manufacturer of bulk material handling machinery, including large scale iron ore mining, handling and processing machinery as well as large scale port machinery. DHHI has a long-established history in China and has delivered major projects around the world, including in Australia where they supplied the bulk handling heavy machinery for the 55Mtpa Roy Hill Iron Ore Mine in Western Australia.

The purpose of the MOU is to recognise the intention of both parties to work together to advance Strike's Project and the associated rail and port infrastructure.

Cusco Iron Ore Project, Peru

The Cusco Project lies approximately 150km to the south - east of Apurimac and forms a potential secondary development target for Strike in Peru with an initial Inferred Resource estimate of 104Mt at 32.6% Fe.

Like Apurimac, iron ore mineralisation at the project is coarse grained and dominated by magnetite, with high grades recorded. Preliminary metallurgical tests indicate a concentrate grade of >65% Fe could be produced from this ore using conventional grinding and magnetic separation processes.

Whilst no detailed work has been undertaken on a railway route between Strike's Apurimac and Cusco Projects, it is clear that if the Andahuaylas Railway proceeds, a 'spur line' from Andahuaylas to Strike's Cusco Project would (subject to technical and commercial feasibility) be a very sensible consideration, given the proximity of several other major mining projects nearby Strike's Cusco Project which would also benefit from such a rail link.

⁶ Refer Strike's ASX announcement dated 19th February 2018: [Peru Iron Ore Update – MOU with Chinese Dalian Huarui Heavy Industry Group](#).

Burke Graphite Project, Queensland

Strike's [Burke Graphite Project](#) (in which Strike holds a 60% 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).

A Mineral Resource Estimate (**MRE**) for the Project has defined a maiden Inferred Mineral Resource of⁷:

- **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.

These grades place the Burke deposit as one of the highest-grade deposits of graphite in the world held by an Australian listed company.

Based upon the MRE for the Project referred to above, the following Chart illustrates the TGC grades of published Total JORC Resource/Reserves of selected ASX Listed Graphite Projects relative to the Burke Project.

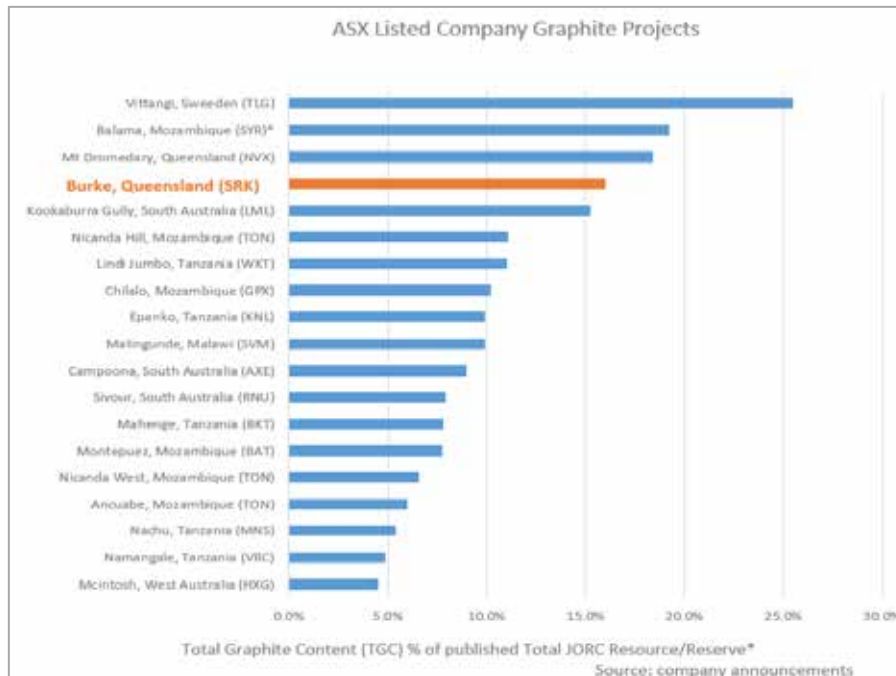


Figure 2 - Selected TGC% of Published Total JORC Resource/Reserve* vs. Maiden Burke Mineral Resource Estimates

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 bench mark 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.

⁷ 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](#)).

- 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.

Given the above highly favourable project characteristics and with the minimum size of the deposit now confirmed, Strike is planning to further investigate the commercial options and requirements for developing a mining operation of between 40,000 – 60,000 tpa of graphite concentrate (which is typical of the production profiles being considered by many other ASX listed graphite developers), to be followed thereafter by a scoping study.

Potential offtake parties in China have been approached and have expressed keen interest in Strike's graphite deposit and its proposed development activities. Discussions with these and other parties will be ongoing with a view to eventually forming binding commercial off-take and development agreements.

In this regard, an experienced Beijing-based Consultant has been retained to facilitate and advance these discussions.

In addition, Strike is currently holding discussions with various Universities and Research Institutions in Australia with regard to partnering with Strike on researching the development of commercial applications for its graphite. Such activities will be focused on areas with the best near-term commercial potential and where, if possible, Australian Government funding support can also be secured.

A ground based Electromagnetic Survey has recently commenced as a pre-cursor to further drilling being planned for the June/September quarters.

For further details, please refer to Strike's ASX announcements dated:

- 16 October 2017: [Burke Graphite Project – Metallurgical Testwork Results](#);
- 13 November 2017: [Burke Graphite Project – Maiden JORC Mineral Resource](#); and
- 22 January 2107: [Burke Graphite Project - Update](#).

Lithium and Gold Exploration Tenements, Western Australia

The North Pilbara hosts a number of lithium and tantalum prospects associated with pegmatites that are related to the Sisters Supersuite of monzogranites and other high end intrusives that intruded the Archean greenstone terrain of the East Pilbara approximately 3 billion years ago.

Lithium and tantalum mineralisation occurs either within the pegmatite veins or within alluvials draining the elevated areas containing the pegmatite veins.

Strike holds two exploration licences, EL 45-4799 and EL 45-4800 in the North-West Pilbara totalling ~31,000 hectares that exist within the extent of the known lithium and tantalum mineral fields in the region, adjacent to licences that have outcropping lithium and tantalum elevated pegmatite occurrences.

Given the widespread cover of thin wind-blown sands and tertiary laterites/duricrusts, the potential of sub-cropping and shallow buried lithium and tantalum rich pegmatites and alluvial deposits is considered a strong possibility.

Strike’s North-West Pilbara tenements are also favourably located close to the Mt York Lithium-Gold Project and other gold deposits and to adjoining tenements held by Kairos Minerals Limited and De Grey Mining Limited, in an area of significant activity based upon reported Novo/Artemis discoveries in the Pilbara (refer Figure 3.)

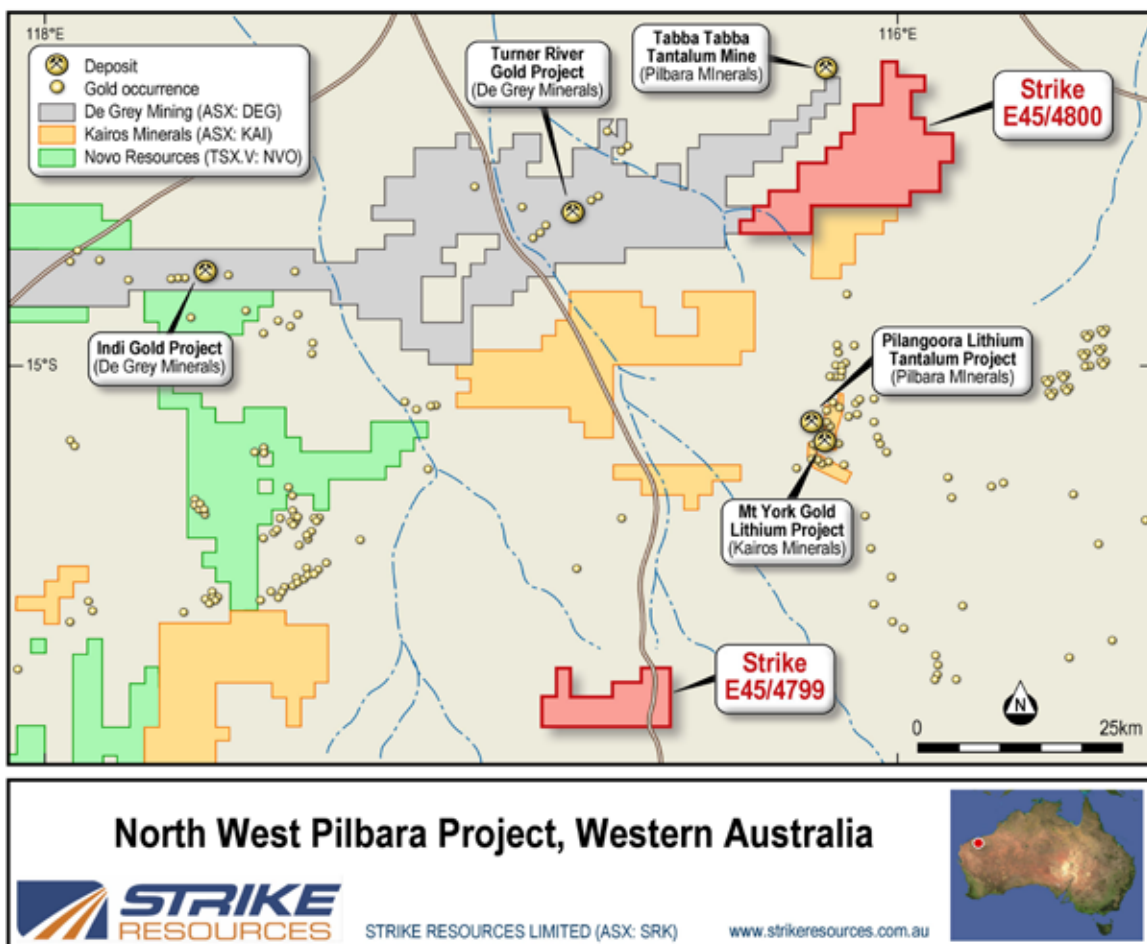


Figure 3 – Strike’s North-West Pilbara Tenements (EL 45/4799 and EL 45/4800)

Strike also holds the Paulsens East tenement, which is located ~7km east of the Paulsens Gold Mine operated by Northern Star Resources Ltd (ASX:NST) (which has mined over 700k ounces at an average grade of 7.63 g/t Au⁸) has been held by Strike for many years for its deposit of high grade hematite. Strike has historically conducted extensive drilling on the tenement for iron ore.

A recent review by Strike of the historical data within the tenement for other mineralisation has now indicated the presence of a historical gold occurrence, hosted within conglomerate rocks on a faulted contact between the Fortescue Group and Ashburton Basin sediments.

Strike notes the potential of the Paulsens area, given the geological setting with mineralised conglomerates is similar to the Novo/Artemis gold discoveries, with these discoveries having opened up fresh geological models for gold prospectivity compared with traditional paradigms.

⁸ Source: Northern Star Resources Ltd company website: <http://www.nsr ltd.com/>

Strike also notes that the Paulsens East tenement directly abuts the southern boundary of Chalice Gold Mines Limited's (ASX:CHN) West Pilbara Project tenements, with newly pegged Novo Resources' tenements nearby to the south-east (refer Figure 4).

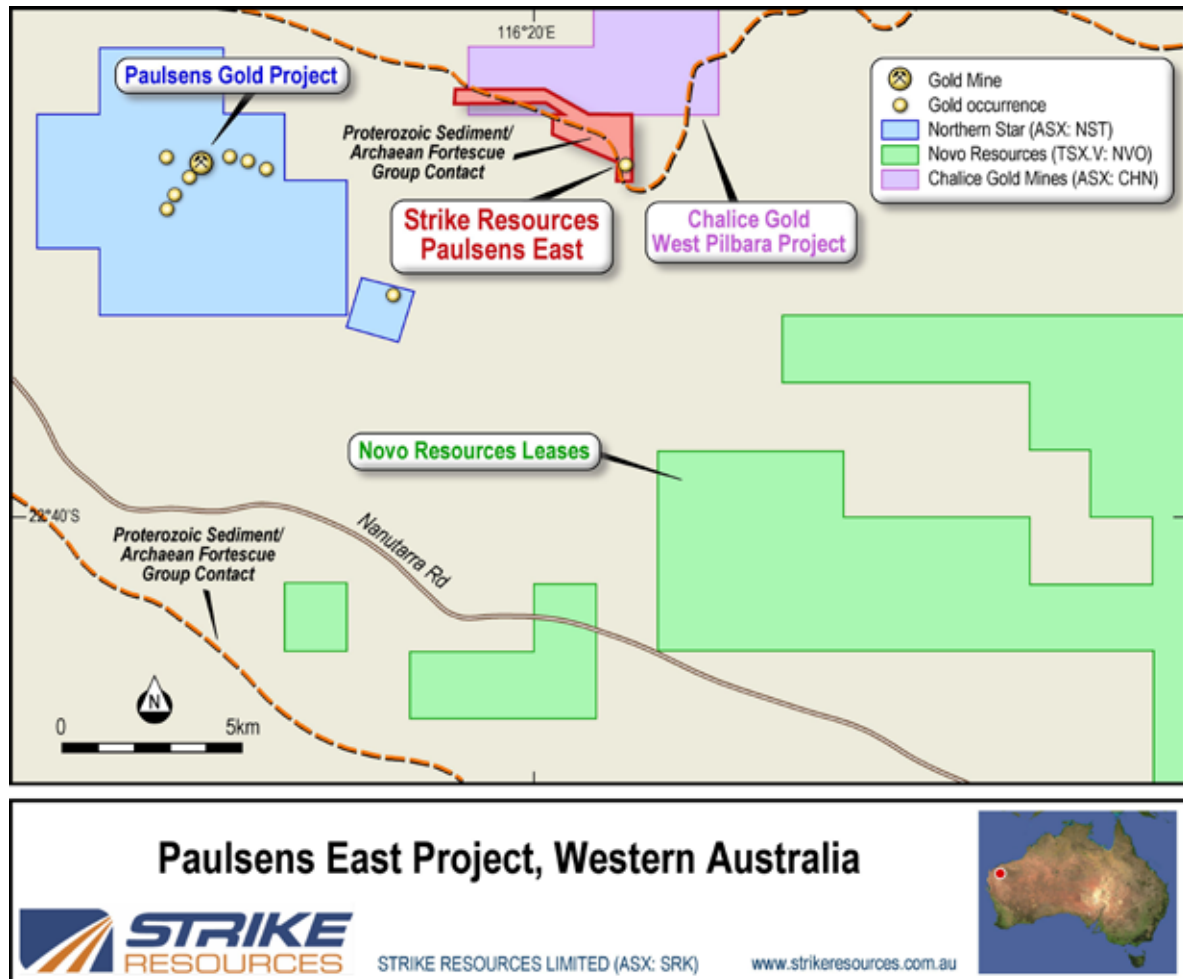


Figure 4 – Strike's Paulsens East Tenement (Retention Licence RL 47/7)

Strike is currently evaluating all of its Pilbara tenements and planning further exploration activities to determine their prospectivity for lithium, tantalum, rare earths and gold.

For further details, please refer to Strike's ASX announcement dated 20 November 2017 [Gold Potential of Strikes Pilbara Tenements](#).

LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the quarter and currently:

Apurimac Iron Ore Project (Peru)

(Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No
(1) Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
(2) Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
(3) Ferrum 1	965	Andahuaylas	010298304	No 00228-2005-INACC/J Jan 19, 2005	11053798
(4) Ferrum 4	1,000	Andahuaylas/ Aymaraes	010298604	No 00230-2005-INACC/J Jan 19, 2005	11053810
(5) Ferrum 8	900	Andahuaylas	010299004	No 00232-2005-INACC/J Jan 19, 2005	11053827
(6) Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
(7) Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
(8) Ferrum 37	695	Andahuaylas	010621507	RP 1164-2008-INGEMMET/PCD/PM May 12, 2008	11076534
(9) Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010	11102187
(10) Sillaccassa 1	700	Andahuaylas	010212508	RP 5088-2008-INGEMMET/PCD/PM Nov 19, 2008	11084877
(11) 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.
(1) Flor de María	907	Chumbivilcas	05006521X01	No 7078-95-RPM Dec 29, 1995	20001742
(2) Delia Esperanza	1,000	Chumbivilcas	05006522X01	No 0686-95-RPM Mar 31, 1995	20001743
(3) El Pacifico II	1,000	Chumbivilcas	05006524X01	No 7886-94/RPM Nov 25, 1994	20001746

Paulsens East Iron-Ore Project (Western Australia)

(Strike – 100%)

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
Retention Licence RL 47/7	Granted	4/12/2014	4/12/2019	~381 Ha	~3.81

Burke Graphite Project (Queensland)

(Strike – 60%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
Burke EPM 25443	Granted	4/9/2014	3/9/2019	5 sub-blocks	~16
Corella EPM 25696	Granted	2/4/2015	1/4/2020	11 sub-blocks	~36

Lithium Project (Western Australia)

(Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
EL 45/4799	Granted	4/7/2017	4/7/2022	26 blocks (8292ha)	~83
EL 45/4800	Granted	10/8/2017	10/8/2022	70 blocks (22422ha)	~224

JORC MINERAL RESOURCES

The following JORC Code compliant ([2004](#) and [2012](#)) Mineral Resources estimates are as at the end of the quarter and currently:

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 ₂ O 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](#).

Cusco Iron Ore Project (Peru)

(Strike – 100%)

The Cusco Project has a JORC Code (2004 Edition) compliant Mineral Resource of 104.4 Mt Inferred Mineral Resource at 32.62% Fe.

Category	Concession	Density t/m ³	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53

The information in this JORC Resource table was prepared and first disclosed under the [2004 JORC Code](#) (in Strike's ASX announcement dated [17 June 2011: Cusco Project – Resource Estimate](#)). It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.

Burke Graphite Project (Australia)

(Strike – 100%)

The Burke Graphite Project has a JORC Code (2012 Edition) compliant Mineral Resources Estimate (MRE).

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](#)).

JORC CODE COMPETENT PERSON'S STATEMENTS

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 the Strike Resources Limited on:

- [19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard](#)

The information in the original announcement that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Apurimac Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of The Australasian Institute of Mining and Metallurgy (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 "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (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 (2004) Competent Person Statement – Cusco Project Mineral Resources

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Cusco Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of The Australasian Institute of Mining and Metallurgy (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 2004 Edition of the JORC Code. Mr Hellsten approves and consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

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 is extracted from the following ASX market announcement made by the 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 in situ Mineral Resources for the Burke Graphite Project is based on information compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (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 "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (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 is extracted from the following ASX market announcements made by the 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 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 The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been 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.

The information in this document that relates to Exploration Results in relation to the Burke Graphite Project is extracted from the following ASX market announcements made by the 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](#)

The information in the original announcements that relates to these 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 The Australasian Institute of Geoscientists (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 "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (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.

Appendix 5B

Mining Exploration Entity and Oil and Gas Exploration Entity Quarterly Report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRIKE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN

94 088 488 724

Quarter Ended (current quarter)

31 March 2018

Consolidated statement of cash flows	Current Quarter	Year to Date
	Mar-2018 \$A' 000	9 months \$A' 000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(53)	(229)
(b) development	-	-
(c) production	-	-
(d) staff costs	(87)	(338)
(e) administration and corporate costs	(191)	(400)
1.3 Dividends received (see note 3)	6	9
1.4 Interest received	34	95
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(291)	(863)

Consolidated statement of cash flows	Current Quarter Mar-2018 \$A' 000	Year to Date 9 months \$A' 000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(166)	(2,292)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	312	746
(d) 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	147	(1,546)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
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	3,042	5,309
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(291)	(863)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	147	(1,546)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(1)	(3)
4.6 Cash and cash equivalents at end of period	2,897	2,897

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	859	417
5.2 Call deposits	2,025	2,625
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)	2,884	3,042

6. Payments to directors of the entity and their associates	Current Quarter \$A' 000
6.1 Aggregate amount of payments to these parties included in item 1.2	115
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 includes directors' fees, salaries and superannuation for Executive and Non-Executive Directors	

7. Payments to related entities of the entity and their associates	Current Quarter \$A' 000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Nil	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A' 000	Amount drawn at quarter end \$A' 000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

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

Nil

9. Estimated cash outflows for next quarter	\$A' 000
9.1 Exploration and evaluation (includes Peru's annual concession fees (amounting to ~A\$200K))	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	115
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	565

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Quarterly Activities Report			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Refer Quarterly Activities Report			

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.



William Johnson
Managing Director

30 April 2018

See Chapter 19 of ASX Listing Rules for defined terms

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.
3. 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.