HALF YEAR REPORT

31 December 2018

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2018 ANNUAL REPORT OF THE COMPANY
LODGED ON 25 OCTOBER 2018

ASX Code: SRK

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A.B.N. 94 088 488 724

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CORPORATE DIRECTORY

BOARD

Farooq Khan	Chairman
William Johnson	Managing Director
Victor Ho	Executive Director
Malcolm Richmond	Non-Executive Director
Matthew Hammond	Non-Executive Director

COMPANY SECRETARY
Victor Ho

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ASX CODE

SRK

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DIRECTORS' REPORT

The Directors present their report on Strike Resources Limited ABN 94 088 488 724 (**Company** or **SRK**) and its controlled entities (the **Consolidated Entity** or **Strike**) for the financial half year ended 31 December 2018 (**Balance Date**).

Strike is a company limited by shares that was incorporated in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since 7 March 2000 (ASX Code: SRK).

The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year.

OPERATING RESULTS

Consolidated	December 2018 $	December 2017 $
Total revenue	175,979	248,326
Total expenses	(857,629)	(625,820)
Loss before tax	(681,650)	(377,494)
Income tax expense	-	-
Loss after tax	(681,650)	(377,494)

CASH FLOWS

Consolidated	December 2018 $	December 2017 $
Net cash flow from operating activities	(439,174)	(651,195)
Net cash flow from investing activities	(398,694)	(1,626,539)
Net change in cash held	(837,868)	(2,277,734)
Cash held at half year end	1,528,346	3,030,144

FINANCIAL POSITION

Consolidated	December 2018 $	June 2018 $
Cash	1,528,346	2,361,403
Financial assets at fair value through profit or loss	2,147,753	1,932,400
Receivables	33,617	46,221
Other assets	671,774	587,776
Liabilities	(121,720)	(95,097)
Net assets	**4,259,770**	**4,832,703**
Issued capital	148,439,925	148,439,925
Reserves	15,105,474	14,996,757
Accumulated losses	(159,285,629)	(158,603,979)
Total equity	**4,259,770**	**4,832,703**

During the financial half-year, Strike invested in a portfolio of ASX 200 listed resource stocks pursuant to a capital management strategy. As at 31 December 2018, the investment portfolio was valued at $2.148 million.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Solaroz Lithium Project (Argentina)

In March 2019, Strike acquired a 90% interest in 12,000 hectares of highly prospective lithium concessions in North-West Argentina. The Solaroz Lithium Brine Project (**Solaroz**) is located within the Salar de Olaroz Basin and is directly adjacent to or surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE) and TSX-listed Lithium Americas Corporation (TSX:LAC).

The Orocobre-Toyota Tsusho JV Lithium Facility is producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the salar. Strike believes that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under Strike's Solaroz concessions.

Strike is targeting a fast track exploration programme to test its geological model for Solaroz. This will begin with the preparation and submission of an Environmental Impact Assessment (**EIA**) Report and preparatory work for a detailed geophysical programme. Once the EIA is approved, Strike will commence a drilling programme to delineate the extent of potential lithium brine, its grade and related hydrological matters to identify the potential for commercial development of Solaroz.

The terms of acquisition are summarised in Subsequent Events Note 12 on page 22 of the Half Year Report.

Further details are contained in Strike's ASX announcement dated 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.

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.[1]

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

In early 2018, the Ministry of Transport and Communications in Peru (**MOTC**) announced that it would 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]

In October 2018, the MOTC awarded a tender to an international consortium of engineering companies to study the feasibility of constructing the proposed Andahuaylas Railway.[4] Strike has been advised that the study is expected to be completed by mid-2020.

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 Strike's Project to an established mineral export port, significantly improving the Apurimac Project's development prospects.

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1 Refer Strike's ASX Announcements dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru, 23 November 2010: Apurimac Project Update (and Strike's December 2010 Quarterly Report) and 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

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 and14 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

4 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

DIRECTORS' REPORT

With spot prices for iron ore strengthening from the lows of approximately US$40 per tonne in December 2015 to approximately US$85/t as at 11 March 2019 (with a 12 month trading range of approximately US$65/t to 90/t)[5], the timing of the MOTC Andahuaylas Railway initiative, being co-incident with strengthening iron ore prices, is considered by Strike to be extremely positive for the Apurimac Project.

Strike 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 Andahuaylas Railway.

Burke Graphite Project (Queensland)

Strike's Burke Graphite Project[6] (in which Strike holds a ~70% interest[7]) 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).

Strike's JORC Inferred Mineral Resource Estimate (**MRE**) confirms the Burke Graphite Project as one of highest grade natural graphite deposits in the world held by an Australian listed company.[8]

Strike is undertaking further metallurgical test to examine the potential suitability of the Burke graphite for use in electric vehicle (EV) batteries.

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.

Lithium and Gold Exploration Tenements (Western Australia)

The North Pilbara hosts a number of lithium and tantalum prospects with mineralisation occurring either within pegmatite veins or within alluvials draining the elevated areas containing pegmatite veins.

In 2016[9], Strike applied for Exploration Licences EL 45-4799 and E45-4800 totalling ~31,000 hectares in the North Pilbara of Western Australia - these tenements existed 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.

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5 Source: https://www.marketindex.com.au/iron-ore (Industry standard NYMEX traded 62% Fe, CFR China)

6 Refer Strike's ASX announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland

7 In July 2017, Strike completed its earn-in obligations to acquire a 60% interest in the Burke Graphite Project tenements. All subsequent expenditure on the project are shared in proportion to the owners' interests (with an industry standard dilution to apply if a party elects not to contribute their share).

8 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)

9 Refer Strike's ASX Announcement dated 18 August 2016: New Lithium Projects in Chile and Western Australia

DIRECTORS' REPORT

Following reviews of historical information and ground based reconnaissance and sampling programmes, Strike relinquished tenement EL45/4799 in January 2019 due to lack of prospectivity for the target minerals (lithium and gold).

Paulsens-East Project (Western Australia)

Strike's Paulsens East tenement, which is located ~7km east of the Paulsens Gold Mine operated by Northern Star Resources Ltd (ASX:NST), 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 review by Strike of the historical data within the tenement for other mineralisation has 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 Resources Corp (TSX-V: NVO) / Artemis Resources Limited (ARV) gold discoveries, with these discoveries having opened up fresh geological models for gold prospectivity compared with traditional paradigms.

For further details, refer to Strike's ASX announcement dated 20 November 2017: Gold Potential of Strike's Pilbara Tenements.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2018.

SECURITIES ON ISSUE

The Company has 145,334,268 fully paid ordinary shares on issue (30 June 2018 and 31 December 2017: 145,334,268). All such shares are listed on ASX. The Company has no other securities on issue.

BOARD OF DIRECTORS

Farooq Khan	**Chairman**
Appointed	18 December 2015; Director since 1 October 2015
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Special responsibilities	Member of the Audit Committee Member of the Remuneration and Nomination Committee
Relevant Interests in securities	530,010 Shares (directly)
Other current directorships in listed entities	Executive Chairman of: Orion Equities Limited (ASX:OEQ) (since October 2006) Bentley Capital Limited (ASX:BEL) (Director since December 2003) Executive Chairman and Managing Director of: Queste Communications Ltd (ASX:QUE) (since March 1998)
Former directorships in other listed entities in past 3 years	Nil

DIRECTORS' REPORT

William Johnson	**Managing Director**
Appointed	25 March 2013; Director since July 2006
Qualifications	MA (*Oxon*), MBA
Experience	William Johnson holds a Masters degree in engineering science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly-experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.
Special responsibilities	None
Relevant Interests in securities	249,273 Shares (directly)
Other current directorships in listed entities	Executive Director of: Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009) Non-Executive Director of: Keybridge Capital Limited (ASX:KBC) (since July 2016) Molopo Energy Limited (ASX:MPO) (since June 2018)
Former directorships in other listed entities in past 3 years	Yowie Group Ltd (ASX:YOW) (since April 2018)

Malcolm Richmond	**Non-Executive Director**
Appointed	Director since 25 October 2006; previously Chairman (3 February 2011 to 18 December 2015)
Qualifications	BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (*New South Wales*)
Experience	Mr Richmond has 30 years' experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Mr Richmond has also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. He is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. Mr Richmond served as Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia until January 2012 and is a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
Special responsibilities	Chairman of the Audit Committee Member of the Remuneration and Nomination Committee
Relevant Interests in securities	Nil
Other current directorships in listed entities	Non-Executive Director of: Argonaut Resources NL (ASX:ARE) (since 14 March 2012)
Former directorships in other listed entities in past 3 years	Nil

DIRECTORS' REPORT

Matthew Hammond	**Non-Executive Director**
Appointed	25 September 2009
Qualifications	BA (Hons) (*Bristol*)
Experience	Mr Hammond is Group Managing Director and CFO of Mail.ru, a leading European Internet communication and entertainment services group, which is listed on the London Stock Exchange. Prior to that he was Group Strategist for Metalloinvest Holdings, where he had broad-ranging responsibilities for part of the non-core asset portfolio and advised the Metalloinvest Board on strategic acquisitions and investments. He began his career at Credit Suisse and was Sector Head in Equity Research and in Private Bank Ultra High Net Worth Client Advisory advising on portfolio allocation, strategic M&A and individual investments. As a Technology Analyst at Credit Suisse, he was ranked #1 in the Extell and Institutional Investor surveys 8 times.
Special responsibilities	Chairman of the Remuneration and Nomination Committees Member of the Audit Committee
Relevant Interests in securities	Nil
Other current directorships in listed entities	Managing Director and Chief Financial Officer of: Mail.Ru Group Limited (LSE:MAIL) (since April 2011; Director since May 2010; CFO since June 2013)
Former directorships in other listed entities in past 3 years	Non-Executive Director of: Realm Therapeutics plc (formerly PuriCore plc) (LSE:RLM) (May 2010 to 17 November 2017)

Victor Ho	**Executive Director and Company Secretary**
Appointed	Director since 24 January 2014; Company Secretary since 30 September 2015
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 19 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
Special responsibilities	Secretary of Audit Committee and Remuneration and Nomination Committee
Relevant Interests in securities	Nil
Other current directorships in listed entities	Executive Director (also Company Secretary) of: Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) Company Secretary of: Bentley Capital Limited (ASX:BEL) (since 5 February 2004) Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)
Former positions in other listed entities in past 3 years	None

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 9. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

DIRECTORS' REPORT

Signed for and on behalf of the Directors in accordance with a resolution of the Board,

William Johnson
Managing Director

Malcolm Richmond
Non-Executive Director and
Chairman of Audit Committee

15 March 2019

ROTHSAY
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The Directors
Strike Resources Limited
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Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2018 interim financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 15 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the half year ended 31 December 2018

	Note	31 Dec 18	31 Dec 17
REVENUE		**$**	**$**
Interest revenue	**2**	21,299	50,606
Other			
Other income		154,680	197,720
TOTAL REVENUE AND INCOME		**175,979**	**248,326**
EXPENSES	**3**		
Net loss on financial assets at fair value through profit or loss		(244,053)	-
Exploration and evaluation expenses		(99,826)	(11,990)
Personnel expenses		(263,625)	(305,439)
Corporate expenses		(174,822)	(234,403)
Occupancy expenses		(27,961)	(21,293)
Finance expenses		(2,255)	(3,458)
Foreign exchange loss		4,811	(9,780)
Administration expenses		(49,898)	(39,457)
LOSS BEFORE INCOME TAX		**(681,650)**	**(377,494)**
Income tax expense		-	-
LOSS FOR THE HALF YEAR		**(681,650)**	**(377,494)**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		108,717	114,381
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		**(572,933)**	**(263,113)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	**5**	(0.39)	(0.18)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Note	31 Dec 18	30 Jun 18
		$	$
CURRENT ASSETS			
Cash and cash equivalents	**6**	1,528,346	2,361,403
Financial assets at fair value through profit or loss	**7**	2,147,753	1,932,400
Receivables		33,617	46,221
Other current assets		21,329	3,436
TOTAL CURRENT ASSETS		**3,731,045**	**4,343,460**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	**9**	647,478	581,433
Property, plant and equipment		2,967	2,907
TOTAL NON-CURRENT ASSETS		**650,445**	**584,340**
TOTAL ASSETS		**4,381,490**	**4,927,800**
CURRENT LIABILITIES			
Payables		117,059	89,610
Provisions		4,661	5,487
TOTAL CURRENT LIABILITIES		**121,720**	**95,097**
TOTAL LIABILITIES		**121,720**	**95,097**
NET ASSETS		**4,259,770**	**4,832,703**
EQUITY			
Issued capital		148,439,925	148,439,925
Reserves		15,105,474	14,996,757
Accumulated losses		(159,285,629)	(158,603,979)
TOTAL EQUITY		**4,259,770**	**4,832,703**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2018

	Issued capital	Currency translation reserve	Share-based payments reserve	Accumulated losses	Total
	$	$	$	$	$
BALANCE AT 1 JUL 2017	**148,439,925**	**1,951,417**	**13,233,026**	**(157,922,365)**	**5,702,003**
Loss for the half year	-	-	-	(377,494)	(377,494)
Other comprehensive income	-	114,381	-	-	114,381
Total comprehensive loss for the half year	**-**	**114,381**	**-**	**(377,494)**	**(263,113)**
BALANCE AT 31 DEC 2017	**148,439,925**	**2,065,798**	**13,233,026**	**(158,299,859)**	**5,438,890**
BALANCE AT 1 JUL 2018	**148,439,925**	**1,763,731**	**13,233,026**	**(158,603,979)**	**4,832,703**
Loss for the half year	-	-	-	(681,650)	(681,650)
Other comprehensive income	-	108,717	-	-	108,717
Total comprehensive loss for the half year	**-**	**108,717**	**-**	**(681,650)**	**(572,933)**
BALANCE AT 31 DEC 2018	**148,439,925**	**1,872,448**	**13,233,026**	**(159,285,629)**	**4,259,770**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2018

	31 Dec 18	31 Dec 17
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(387,186)	(501,012)
Payments for exploration and evaluation	(51,988)	(150,183)
NET CASH USED IN OPERATING ACTIVITIES	**(439,174)**	**(651,195)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	21,299	60,807
Dividends received	40,797	2,912
Payment for share investments	(1,811,750)	(2,097,590)
Proceeds from share investments	1,352,344	407,994
Payment for purchases of plant and equipment	(1,384)	(662)
NET CASH USED IN INVESTING ACTIVITIES	**(398,694)**	**(1,626,539)**
NET DECREASE IN CASH HELD	**(837,868)**	**(2,277,734)**
Cash and cash equivalents at beginning of financial year	2,361,403	5,308,855
Effect of exchange rate changes on cash held	4,811	(977)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR	**1,528,346**	**3,030,144**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance
The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2018 to the date of this report. The half-year report complies with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.

Basis of Preparation
The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2018.

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current reporting period
In the current reporting period, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

The following new and revised Standards and Interpretations effective for the current reporting period that are relevant to the Consolidated Entity include:

- AASB 15 *Revenue from Contracts with Customer* s, and relevant amending standards
- AASB 9 *Financial Instruments* , and relevant amending standards
- AASB 2016-5 Amendments to Australian Accounting Standards – *Classification and Measurement of Share-based Payment Transactions*
- AASB Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

Impact on Application
The adoption of the aforementioned standards has not had a quantitatively material impact on the interim financial statements of the Consolidated Entity as at 31 December 2018. A more detailed discussion on the impact of the adoption of AASB 9 and AASB 15 is included below.

AASB 15: Revenue from Contracts with Customers (AASB 15)
AASB 15 establishes a comprehensive five-step framework for determining the timing and quantum of revenue recognised. It has replaced the existing guidance, including AASB 118 *Revenue* and AASB 111 *Construction Contracts* . The core principle of AASB 15 is that an entity shall recognise revenue as control of a good or service transfers to a customer. The Consolidated Entity has adopted the modified transition approach. The adoption of AASB 15 from 1 July 2018 has not resulted in any adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 9: Financial Instruments (AASB 9)
The Consolidated Entity has adopted AASB 9 from 1 July 2018 which have resulted in changes to accounting policies and the analysis for possible adjustments to amounts recognised in the Interim Financial Report. In accordance with the transitional provisions in AASB 9, the reclassifications and adjustments are not reflected in the statement of financial position as at 30 June 2018 but recognised in the opening statement of financial position as at 1 July 2018. As per the new impairment model introduced by AASB 9, the Consolidated Entity has not recognised a loss allowance on trade and other receivables as at 1 July 2018.

Classification and Measurement
On 1 July 2018, the Consolidated Entity has assessed which business models apply to the financial instruments held by the Consolidated Entity and have classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

On adoption of AASB 9, the Consolidated Entity classified financial assets and liabilities as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Consolidated Entity's financial instruments.

There was no impact on the statement of comprehensive income or the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of financial assets and liabilities.

The following table summarises the impact on the classification and measurement of the Consolidated Entity's financial instruments at 1 July 2018:

Presentation on Statement of Financial Position	AASB 139 Classification	AASB 9 Classification	AASB 139 Carrying amount	AASB 9 Carrying amount
Cash and cash equivalents	Loans and receivables	Amortised cost	No change	No change
Receivables	Loans and receivables	Amortised cost or fair value	No change	No change
Financial assets at fair value through Profit or Loss (**FVTPL**)	Financial assets at FVTPL	Financial assets at FVTPL	No change	No change

Notes:
(1) The Consolidated Entity may at times hold bank deposits. These items would previously meet the classification of loans and receivables under AASB 139 but will be now measured at amortised cost under AASB 9.

(2) These investments in other listed securities were classified as FVTPL under AASB 139. The Consolidated Entity has elected to maintain this classification on transition to AASB 9.

The Consolidated Entity does not currently enter into any hedge accounting and therefore there is no impact to the Consolidated Entity's Interim Financial Report.

Impairment
AASB 9 introduces a new expected credit loss (ECL) impairment model that requires the Consolidated Entity to adopt an ECL position across the Consolidated Entity's financial assets at 1 July 2018. The Consolidated Entity's receivables balance comprises trade receivables from customers, GST refunds from the Australian Tax Office, interest receivables and amounts owing to it from the sale of an asset in a previous period. Whilst cash and cash equivalents are also subject to the impairment requirements of AASB 9, an impairment loss would be considered immaterial.

At each reporting date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:
(i) the simplified approach (which will be applied to most trade receivables) which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) the general approach (which will be applied to most loans and debt securities) whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and

(iii) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each reporting date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current loans and receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current loans and receivables.

Accounting Policies
Due to the mandatory application of AASB 9, the Consolidated Entity has been required to update its accounting policies to meet the requirements of the new standard. The updated policies are detailed in the respective notes to the financial statements as applicable.

Other standards
Other standards that become effective this period that are relevant to the Consolidated Entity include:
• AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions; and
• AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration.

They do not affect the Consolidated Entity's accounting policies or any of the amounts recognised in the financial statements.

2. REVENUE

	31 Dec 18	31 Dec 17
The Consolidated Entity's operating loss before income tax includes the following items of revenue:	$	$
Revenue		
Interest revenue	21,299	50,606
	21,299	50,606
Other		
Net gain on financial assets at fair value through profit or loss	-	194,805
Dividend revenue	40,797	2,912
Other income	113,883	3
	175,979	**248,326**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:

	31 Dec 18 $	31 Dec 17 $
Net loss on financial assets at fair value through profit or loss	244,053	-
Exploration and evaluation expenses		
Impairment loss	-	1,482
Other exploration and evaluation expenses	99,826	10,508
Personnel expenses		
Salaries, fees and employee benefits	263,625	305,439
Corporate expenses		
Professional fees	66,848	178,187
ASX fees	26,324	22,687
Accounting, taxation and related administration	71,008	15,998
Audit	4,000	4,000
Share registry	3,656	3,233
Other corporate expenses	2,986	10,298
Occupancy expenses	27,961	21,293
Finance expenses	2,255	3,458
Foreign exchange (gain)/loss	(4,811)	9,780
Administration expenses		
Insurance	8,897	9,402
Travel, accommodation and incidentals	12,414	(4,563)
Depreciation	1,324	396
Other administration expenses	27,263	34,222
	857,629	**625,820**

4. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director. The Managing Director is responsible for allocating resources and assessing performance of the operating segments and has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only in Australia and Peru.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

4. SEGMENT INFORMATION (continued)

	Peru $	Australia $	Total $
31 Dec 18			
Revenue	-	21,299	21,299
Other	-	154,680	154,680
Total segment revenues	**-**	**175,979**	**175,979**
Net loss on financial assets at fair value through profit or loss	**-**	244,053	244,053
Exploration and evaluation expenses	99,826	-	99,826
Personnel expenses	-	263,625	263,625
Corporate expenses	48,255	126,567	174,822
Finance expenses	1,332	923	2,255
Depreciation expense	-	1,324	1,324
Other expenses	6,527	65,197	71,724
Total segment loss	**(155,940)**	**(525,710)**	**(681,650)**
Adjusted EBITDA	**(155,940)**	**(524,387)**	**(680,327)**
Total segment assets	**84,316**	**4,297,174**	**4,381,490**
Total segment liabilities	**80,469**	**41,251**	**121,720**
31 Dec 17			
Revenue	-	50,606	50,606
Other	3	197,717	197,720
Total segment revenues	**3**	**248,323**	**248,326**
Exploration and evaluation expenses	1,482	10,508	11,990
Personnel expenses	-	305,439	305,439
Corporate expenses	189,867	44,536	234,403
Finance expenses	2,570	888	3,458
Depreciation expense	-	396	396
Other expenses	25,892	44,242	70,134
Total segment loss	**(219,808)**	**(157,686)**	**(377,494)**
Adjusted EBITDA	**(219,808)**	**(157,686)**	**(377,494)**
30 Jun 18			
Total segment assets	**67,093**	**4,860,707**	**4,927,800**
Total segment liabilities	**83,385**	**11,712**	**95,097**

5. LOSS PER SHARE

	31 Dec 18 cents	31 Dec 17 cents
Basic and diluted loss per share	(0.39)	(0.18)

The following represents the loss and weighted average number of shares used in the EPS calculations:

Net loss after income tax	(572,933)	(263,113)
	Shares	**Shares**
Weighted average number of ordinary shares	145,334,268	145,334,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

6. CASH AND CASH EQUIVALENTS

	31 Dec 18	30 Jun 18
	$	$
Cash at bank	503,346	335,649
Term deposits	1,025,000	2,025,754
	1,528,346	**2,361,403**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities at fair value	2,147,753	1,932,400

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

AASB 13 (Fair Value Measurement) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
31 Dec 18	**$**	**$**	**$**	**$**
Financial assets at fair value through profit or loss:				
Listed securities at fair value	2,147,753	-	-	**2,147,753**
30 Jun 18				
Financial assets at fair value through prof				
Listed securities at fair value	1,932,400	-	-	**1,932,400**

There have been no transfers between the levels of the fair value hierarchy during the financial half year.

(a) Valuation techniques

The fair value of the listed securities traded in active markets is based on closing bid prices at the end of the reporting period. These investments are included in Level 1.

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of other financial assets and liabilities

	31 Dec 18	30 Jun 18
	$	$
Cash and cash equivalents	1,528,346	2,361,403
Receivables	33,617	46,221
	1,561,963	2,407,624
Payables	(117,059)	(89,610)
	1,444,904	2,318,014

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

9. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 18	30 Jun 18
	$	$
Opening balance	581,433	369,902
Exploration and evaluation costs	66,045	530,894
Impairment loss	-	(319,363)
Closing balance	**647,478**	**581,433**

10. COMMITMENTS

(a) On 1 February 2019, the Consolidated Entity entered into a non-cancellable operating lease agreement for shared office accommodation. The lease was for a further 12 month term expiring on or about 30 January 2020. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST).

(b) Mineral Tenement/Concession - Commitments for Expenditure

(i) Australian tenements
In order to maintain current rights of tenure to exploration tenements, the holders of Australian mineral tenements are required to outlay lease rentals and meet minimum expenditure commitments. The Consolidated Entity does not currently have any material commitments for expenditure relating to Australian tenements.

(ii) Peruvian concessions
The Consolidated Entity is required to pay annual licence fees by 30 June of each year, at rates which vary on an amount per-hectare basis. The total amount of this commitment will depend upon the number and area of concessions retained, relinquished or granted (if any) and cannot therefore be reliably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

11. CONTINGENCIES

(a) Australian Native Title

The Consolidated Entity's tenements in Australia may be subject to native title applications in the future. At this stage, it is not possible to quantify the impact (if any) that native title may have on the operations of the Consolidated Entity.

(b) Government Royalties

The Consolidated Entity is liable to pay royalties on production obtained from its mineral tenements/concessions.

(c) Directors' Deeds

The Consolidated Entity has entered into deeds of indemnity with Strike Resources Limited Directors, indemnifying them against liability incurred in discharging their duties as Directors/officers of the Consolidated Entity. As at the reporting date, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(d) Deferred Payments from Settlement Agreement Relating to Apurimac Ferrum SAC

Pursuant to a settlement agreement dated 30 December 2012 whereby the Consolidated Entity acquired the (50%) balance of equity interest in Apurimac Ferrum SAC (**AF**) (the holder of the Apurimac and Cusco Projects) from D&C Pesca SAC, the Consolidated Entity has a series of deferred payment obligations as outlined below.

The Consolidated Entity has payment obligations if certain milestones are achieved as follows:

(i) **Resource Milestone Payment:** US$2 million on the delineation of at least 500 Mt of JORC Mineral Resources at an average grade of at least 55% Fe with at least 275 Mt of contained iron having an average grade of at least 52.5% Fe, on the Apurimac Project mineral concessions.

(ii) **Approvals Milestone Payment**: Up to US$3 million on AF receiving all formal government environmental and community approvals for the construction and operation of an iron ore mine and required infrastructure with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

(iii) **Construction Milestone Payment**: Up to US$5 million on formal approval of the AF Board to commence construction of an iron ore project or the commencement of bulk earthworks for an iron ore mine or processing plant, in either case with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

The Consolidated Entity has royalty payment obligations as follows:

(i) 1.5% of the net profits from sales of iron ore mined and iron ore products produced from the Apurimac and Cusco Project mineral concessions.

(ii) 2% of the proceeds of sales of other metals (on a net smelter return basis) mined from the Apurimac and Cusco Project mineral concessions.

AF may extinguish the royalties (save for royalties on other metals up to a cap of US$0.5 million per annum) by making an Extinguishment Payment as follows - US$30 million, if paid 4 years from 20 December 2012 but before the Construction Milestone occurs or the 15th anniversary of the settlement agreement (whichever is sooner).

Due to the inherent uncertainty surrounding the achievement and timing of the above milestones/royalty triggers, the Consolidated Entity regards these future payment obligations as contingencies.

For further background details, refer also to Strike's ASX Announcement dated 31 December 2012: Strike Moves to 100% Ownership of AF

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2018

11. CONTINGENCIES (continued)

(e) Legal Disputes Over Peru Mineral Concessions

The Consolidated Entity has successfully defended against a number of legal actions and claims made by several Peruvian parties (that have had a contractual relationship with AF) relating to the Consolidated Entity's mineral concessions in Peru. Whilst there still remain some outstanding claims and appeals, the Consolidated Entity believes that they will all eventually be dismissed, consistent with previous decisions by the relevant Peruvian authorities.

For further background details, refer also to Strike's ASX Announcement dated 1 May 2014: Strike Wins Millenium Arbitration Case in Peru.

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Solaroz Lithium Project (Argentina)

In March 2019, the Consolidated Entity entered into an agreement to acquire a 90% shareholding in Hananta S.A. (incorporated in Argentina) (Hananta). Hananta has, in turn, entered into an Option and Purchase Agreement (Agreement) with the registered legal and beneficial owner (Owner) of applications for exploitation concessions (totalling 12,000 ha) currently being processed before the Administrative Mining Court of the Province of Jujuy (Mining Properties) which comprise the Solaroz Lithium Brine Project (Solaroz) located in northern Argentina.

Under the Agreement, Hananta will make a series of payments in cash and (at the election of the Consolidated Entity, shares) over 4 years totaling US$6,590,000 to the Owner according to the schedule below:

Hananta's Payments to the Owner	Cash US$	Cash or Shares US$	Total US$
On execution of the Agreement	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (**EIA**) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1.000.000	2,190,000
Total	**3,840,000**	**2,750,000**	**6,590,000**

At the completion of the payments to the Owner, registered title to the Mining Properties will be transferred to Hananta. The Consolidated Entity can elect to terminate Hananta's Agreement with the Owner at any time, with no penalty.

Strike will fund 100% of the development costs for Solaroz (including the abovementioned payments to the Owner) to the completion of a bankable feasibility study, with such funding to be provided as loans to Hananta, to be repaid to the Consolidated Entity as a priority prior to any distributions to shareholders. Thereafter, Hanaq Argentina S.A. (Hanaq) (as the other 10% shareholder in Hananta) will contribute pro-rata or dilute. Hanaq can at any time elect to covert its holding in Hananta to a 1% Net Smelter Royalty.

Further details are contained in Strike's ASX announcement dated 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle.

No other matter or circumstance has arisen since the end of the financial half year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Strike Resources Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001 (Cth)*, we state that:

In the opinion of the Directors:

(1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001 (Cth)*, including:

  (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the financial half year ended on that date; and

  (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

William Johnson
Managing Director

Malcolm Richmond
Non-Executive Director and
Chairman of Audit Committee

15 March 2019

ROTHSAY

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Independent Review Report to the Members of Strike Resources Limited

The financial report and directors' responsibility
The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Strike Resources Limited for the half-year ended 31 December 2018.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2018 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Strike Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence
In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Strike Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2018 and of the performance for the half-year ended on that date; and

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Rothsay

Rothsay Auditing

GR Swan

Graham R Swan
Partner

Dated 15 March 2019

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LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the financial half year (31 December 2018) 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 Pacífico II	1,000	Chumbivilcas	05006524X01	No 7886-94/RPM Nov 25, 1994	20001746

Pilbara Tenements (Western Australia) (Strike – 100%)

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
Exploration Licence 45/4799*	Granted	4/7/2017	4/7/2022	26 blocks	~83
EL 45/4800	Granted	10/8/2017	10/8/2022	70 blocks	~225

* EL 45/4799 was relinquished on 7 January 2019

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

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
Retention Licence RL 47/7	Granted	4/12/2014	4/12/2019	~381 Ha	~3.81

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

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
Burke Exploration Permit for Minerals (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

JORC MINERAL RESOURCES

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at the end of the financial half year (31 December 2018) 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_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.*

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_2O_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 – ~70%)

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 PERSONS' 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

(a) The information in this document that relates to **Mineral Resources** 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.

(b) The information in this document that relates to **metallurgical test work** 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

JORC CODE COMPETENT PERSONS' STATEMENTS

The information in the original announcements that relates to 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.

(c) The information in this document that relates to **Exploration Results in relation to the ground Electro-Magnetic (EM) survey and other Exploration Results** 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
- 26 June 2018: Burke Graphite Project – New Target Area Identified From Ground Electro-Magnetic Surveys

The information in the original announcements that relates to 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 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 documents 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.

SECURITIES INFORMATION
as at 31 December 2018

Distribution of Fully Paid Ordinary Shares

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	358	147,516	0.10%
1,001	-	5,000	589	1,743,269	1.20%
5,001	-	10,000	252	2,044,241	1.41%
10,001	-	100,000	334	11,057,348	7.61%
100,001	-	and over	81	130,341,894	89.68%
TOTAL			**1,614**	**145,334,268**	**100.00%**

Unmarketable Parcels

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	11,111	1,225	4,210,504	2.90%
11,112	-	over	389	141,123,764	97.10%
TOTAL			**1,614**	**145,334,268**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 11,111 shares or less (being a value of $500 or less in total), based upon the Company's closing share price of $0.045 on 31 December 2018.

Substantial Shareholders

Substantial Shareholder	Registered Shareholder	Shares Held	% Voting Power
Bentley Capital Limited[10]	Bentley Capital Limited	52,553,493	36.16%
ABU Holding International Limited and Associates [11]	HSBC Custody Nominees (Australia) Limited	26,507,581	18.24%
Database Systems Ltd and Ambreen Chaudhri[12]	Database Systems Ltd	12,537,090	8.63%
Orion Equities Limited[13]	Orion Equities Limited	10,000,000	6.88%
Queste Communications Ltd[14]	Orion Equities Limited	10,000,000	6.88%

10 Refer Bentley's ASX announcement dated 4 September 2015 Notice of Change in Interests of Substantial Holder

11 Refer Notice of Initial Substantial Holder dated 21 December 2012

12 Based on Notice of Change in Interests of Substantial Holder dated 4 June 2013

13 Refer Orion's ASX announcement dated 4 September 2015: Notice of Change in Interests of Substantial Holder

14 Refer Queste's ASX announcement dated 4 September 2015: Notice of Change in Interests of Substantial Holder; Orion is the registered holder of Strike shares and Queste is taken under section 608(3)(b) of the Corporations Act to have a relevant interest in securities in which Orion has a relevant interest by reason of having control of Orion

SECURITIES INFORMATION
as at 31 December 2018

Top Twenty, Ordinary Fully Paid Shareholders

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	36.16%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,507,581	18.24%
3	DATABASE SYSTEMS LTD	12,537,090	8.63%
4	ORION EQUITIES LIMITED	10,000,000	6.88%
5	ACN 139 886 025 PTY LTD	2,110,261	1.45%
6	JP MORGAN NOMINEES AUSTRALIA LIMITED	1,863,855	1.28%
7	MR JON FAZZALORI	1,649,879	1.14%
8	MR IANAKI SEMERDZIEV	1,379,000	0.95%
9	IRIS SYDNEY HOLDINGS PTY LTD	1,250,000	0.86%
10	MR VU QUANG MINH DANG & MRS THI KIM DAU NGUYEN	1,082,174	0.74%
11	D&C PESCA S.A.C.	1,081,027	0.74%
12	TADMARO PTY LIMITED	1,076,626	0.74%
13	MRS LILIANA TEOFILOVA	947,000	0.65%
14	MR CHI MAU PHUONG	923,437	0.64%
15	EMPIRE HOLDINGS WA PTY LTD	700,000	0.48%
16	PRINT LOGIC WA PTY LTD	600,000	0.41%
17	MR MARK REX KOZEL + MRS KRISTINE ANNE PATTISON	540,000	0.37%
18	MR FAROOQ KHAN	530,010	0.36%
19	CONCORDE SECURITIES PTY LTD	500,000	0.34%
20	RENMUIR HOLDINGS LIMITED	487,428	0.34%
	TOTAL	**118,318,861**	**81.40%**

Wednesday, 13 March 2019 ASX Code : SRK

ASX MARKET ANNOUNCEMENT

Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle

HIGHLIGHTS

- Acquisition of a 90% interest in 12,000 hectares of highly prospective lithium concessions directly adjacent to or surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE) and TSX-listed Lithium Americas Corporation (TSX:LAC).

- Concessions located within the same Salar de Olaroz Basin and directly adjacent to the Orocobre-Toyota Tsusho JV Lithium Facility producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the salar.

- Staged payments to concession owner over 4 years.

- Targeting fast track exploration programme (geophysical surveys, drilling, sampling and flow rate testing) to test geological model for production of lithium carbonate from brine extracted from bore fields.

Acquisition of Solaroz Lithium Project (Argentina)

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to announce that it has entered into an agreement to acquire a 90% interest in the highly prospective Solaroz Lithium Brine Project (**Solaroz**) within South America's 'Lithium Triangle' in North-West Argentina.

Solaroz comprises concessions (**Solaroz Concessions**) totaling 12,000 hectares in area, mostly adjacent to and principally surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE - market capitalisation ~A$1 billion) and TSX-listed Lithium Americas Corporation (TSX:LAC - market capitalisation ~C$500 million).

Solaroz is located in the same Salar de Olaroz Basin as and directly adjacent to the producing Salar de Olaroz Lithium Brine Project operated by Orocobre and its JV partner, Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015).

The location of Solaroz is considered by Strike to be highly strategic and prospective for containing commercial quantities and concentrations of lithium-rich brine, since Strike believes that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under Strike's Solaroz Concessions. This will be tested by geophysical work and drilling in due course with a view to fast tracking production of lithium carbonate dependent upon these works being successfully concluded.

Strike's first step will be to complete an Environmental Impact Assessment (**EIA**) Report for submission to the local JuJuy Mining Regulator. Contemporaneous with this, Strike will commence preparatory work for a detailed geophysical programme.

Once this EIA is submitted and approved, Strike will commence a drilling programme to delineate the extent of potential lithium brine, its grade and related hydrological matters to identify the potential for commercial development of Solaroz as a lithium brine project.

Strike is also pleased to announce the establishment of a commercial partnership with Hanaq Argentina S.A (**Hanaq**), based in Salta (which is located 350 kilometres from Solaroz), where Hanaq will provide local operating support and services to Strike. As well as being an established explorer and experienced lithium brine developer in Argentina, Hanaq has strong links to the Chinese battery sector (and hence potential offtake partners for lithium) through one of its major Chinese shareholders.

Strike's Managing Director, William Johnson:

> *Solaroz offers tremendous upside potential for Strike, given its highly prospective and strategic location next to Orocobre's producing lithium brine project. In acquiring Solaroz, Strike is also capitalising on its extensive experience in South America, with operations in this region since 2005.*
>
> *This is also the second acquisition by Strike in the battery minerals sector, following the acquisition of the high-grade Burke Graphite Project in Queensland.*
>
> *The long-term prospects for lithium and graphite as commodities are strong, driven primarily by the expected growth in demand for lithium batteries for electric vehicles.*
>
> *Argentinian lithium brine projects in particular are recognised as being particularly attractive since they are amongst the lowest on the lithium carbonate cost curve, compared to hard rock projects.*
>
> *Strike is especially pleased to have entered into a partnership with local Argentinian company Hanaq. Hanaq has a highly experienced local team, with direct experience developing lithium brine projects in Argentina and with strong connections to the Chinese battery sector. Hanaq's local experience and connections are expected to add considerable value as Strike advances Solaroz.*

Solaroz Concessions

The Solaroz Concessions comprise 8 exploitation concessions totaling 12,000 hectares (refer *Figure 1*) in Jujuy Province in northern Argentina, approximately 230 kilometres north-west of the capital city of Jujuy. The Solaroz Concessions lie at an altitude of approximately 3,900 metres and are accessed by good quality road infrastructure.

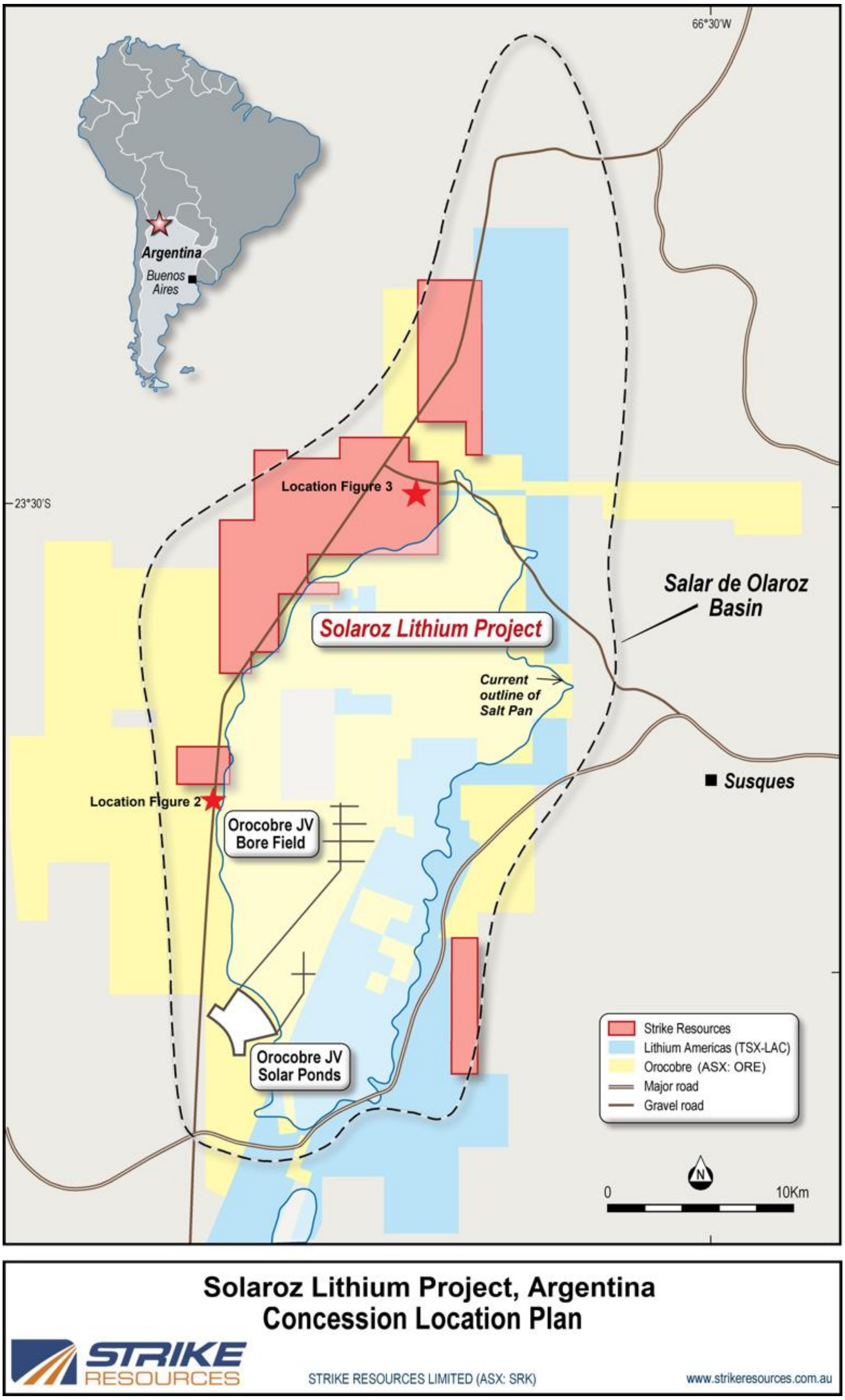

Figure 1: Solaroz Project – Location of Concessions

The location is supported by favorable conditions in terms of both the operating environment and local infrastructure. Very limited rainfall combined with dry, windy conditions create the ideal environment for the brine-evaporation process.

The area is also serviced by a gas pipeline which intersects the Solaroz Concessions, high voltage electricity, and paved highways. Three major seaports, Buenos Aires in Argentina, Antofagasta and Iquique in Chile, are serviced by international carriers and are easily accessible by road and/or rail.

The Solaroz Concessions lie over the same Salar de Olaroz Basin from which Orocobre is extracting and processing lithium rich brine for sale as lithium carbonate since 2015. The Solaroz Concessions follow and overlap into the visible white halite salt layer of the 'salar' (salt lake) and extend as substantial flat areas with 1 - 2 metres of elevation to the visible halite area, providing the ideal location and topography for the construction of evaporation ponds.

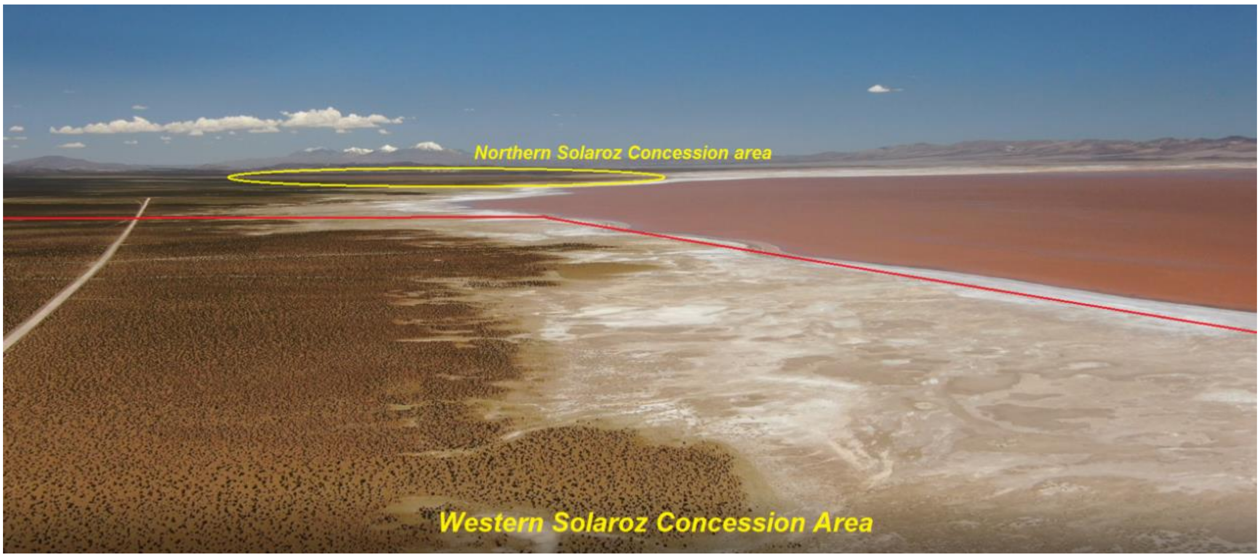

Figure 2: View of Solaroz Project Area, taken from Western Solaroz Concession area facing North

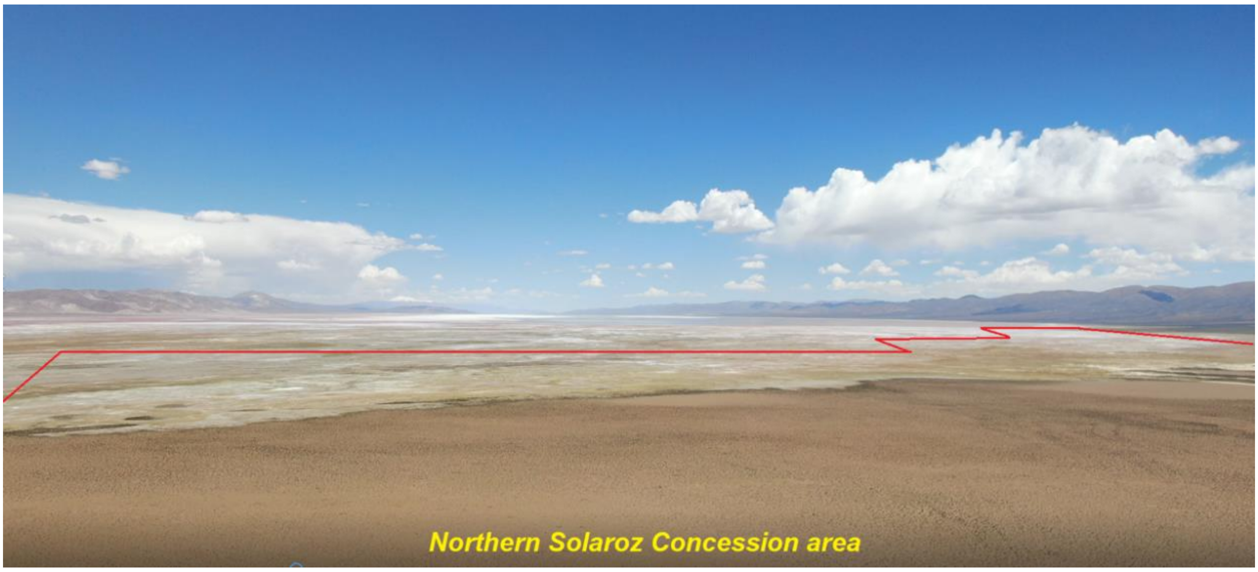

Figure 3: View of Solaroz Project Area, taken from Northern Solaroz Concession area facing South

Strike's interpretation of the basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Orocobre (and targeted by other exploration and development companies in the area) extends under the Solaroz Concessions (refer *Figure 4*).

Geological Model

The Salar de Olaroz Basin (refer *Figure 4*) was formed with the appearance (approximately 14 million years ago) of volcanic mountains to the North and South, effectively forming a closed basin within an existing drainage system. Water and lithium-rich material collected in this closed basin over time and alluvial deposits gradually filled up the basin with porous material, which today hosts the lithium-rich water.

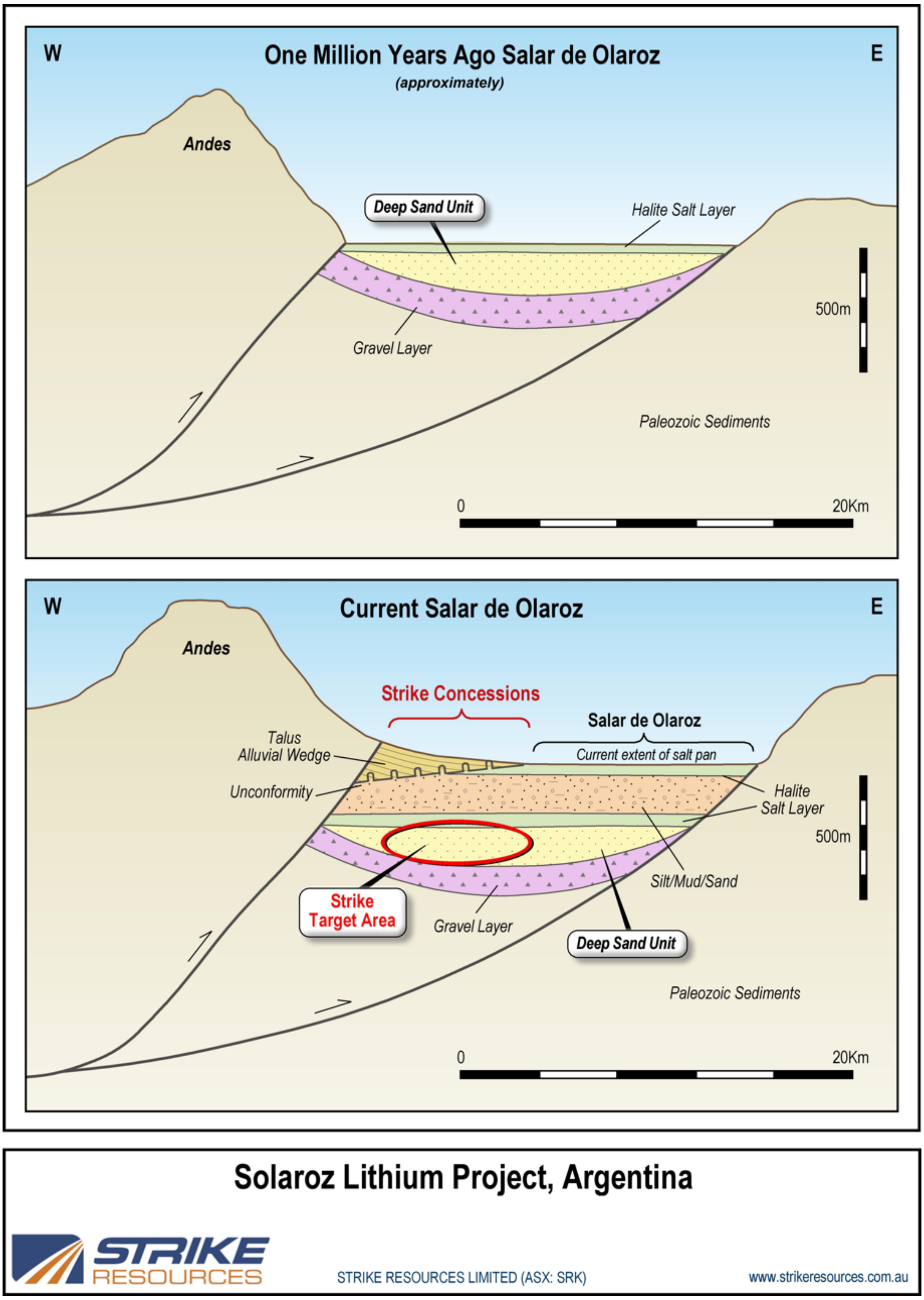

Figure 4: Geological cross sections depicting evolution of Olaroz Salar Basin and Strike's primary target zone for lithium mineralisation

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Salar de Olaroz is one of a number of land locked salt lakes located high up in the Argentinian Puna Region. The Salar de Olaroz Basin is bounded by a pair of north-south reverse faults that thrust Andes Paleozoic sediment west to east as a result of the Pacific Plate colliding with the South American Plate. This results in the west side of the basin being continually pushed higher which replenishes the sediment fill within the basin.

Strike's Exploration Target is based on the interpretation that the alluvial deposits upon which the Solaroz Concessions are located (at the North-West corner of the salar) have been deposited relatively recently and lie directly above the productive deep sand unit of the lithium rich aquifer from which Orocobre is extracting its brine (refer "Deep Sand Unit", shown in yellow in *Figure 4*). The potential quantity and grade of Strike's Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Strike's geological interpretation indicates that the majority of the Solaroz Concessions are likely to lie directly over the productive lithium rich aquifer. Previously published geophysical studies undertaken by Orocobre[1] indicate that the sub-surface brine hosting aquifers appear to extend well outside the boundaries of the visible salt area and to depth and adds evidence supporting the likelihood of lithium rich brine hosted beneath the Solaroz Concessions.

Other exploration and development companies (for example, Advantage Lithium Corp. (TSXV:AAL); Millennial Lithium Corp. (TSXV:ML); Lake Resources N.L. (ASX:LKE) and Galan Lithium Limited (ASX:GLN)) have also confirmed through geophysics and drilling that lithium-rich brine hosting aquifers in Argentina tend to extend well outside boundaries of today's visible salt pans.

Strike's planned exploration programme (subject to granting of the EIA Report) consists of geophysical surveys, followed by drilling, sampling and flow rate testing in the event that sufficient brine is intersected.

Terms of Acquisition

Strike has entered into an agreement to acquire a 90% shareholding interest in Argentina registered Hananta S.A. (**Hananta**). Hananta has, in turn, entered into an Option and Purchase Agreement (**Agreement**) with the registered legal and beneficial owner (**Owner**) of applications for exploitation concessions currently being processed before the Administrative Mining Court of the Province of Jujuy (**Mining Properties**) which comprise the Solaroz Concessions.

Under the Agreement, Hananta will make a series of payments in cash and (at Strike's election, shares) over 4 years totaling US$6,590,000 to the Owner according to the schedule in *Table 1* below. At the completion of the payments, title to the Mining Properties will be transferred to Hananta.

The schedule of payments has been structured such that the most significant payments are deferred until Strike has had the opportunity to conduct sufficient exploration activities to confirm the prospectivity of Solaroz.

Table 1: Hananta Payment Schedule to Owner

	Cash (US$)	Cash or Shares[2] (US$)	Total (US$)
On execution of Agreement	140,000	-	140,000
6 months after EIA approval	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1,000,000	2,190,000
Total	**3,840,000**	**2,750,000**	**6,590,000**

1 Reference: Olaroz Technical Report dated 13 May 2011: Salar De Olaroz Lithium-Potash Project, Jujuy Province, Argentina

2 Shares or cash, at Strike's election

Strike can elect to terminate Hananta's Agreement with the Owner at any time, with no penalty.

Strike will fund 100% of the development costs to completion of bankable feasibility study (such funding to be provided as loans to Hananta, to be repaid to Strike as a priority prior to any distributions to shareholders), after which Hanaq (as the other 10% shareholder in Hananta) will contribute pro-rata or dilute. Hanaq can at any time elect to covert its holding in Hananta to a 1% Net Smelter Royalty.

Hanaq Argentina S.A.

Hanaq Argentina S.A. (**Hanaq**) is an exploration and development company based in Salta, which is currently advancing a portfolio of Lithium, Silver, Gold, Copper and Uranium projects.

In particular, Hanaq, through one of its related companies, is currently operating a lithium brine project in Salta which is at the final stage of construction (with ~80 hectares of evaporation ponds already constructed) and is scheduled to commence generating cash flow shortly.

Hanaq has an established local office in Salta with a team of approximately 40 staff including exploration geologists, engineers, engineering and operations specialists.

A significant shareholder in Hanaq is a major Chinese battery company suppling some of the world's largest battery manufacturers with raw materials.

Hanaq will provide local operating support and services to Strike and Hananta to manage the Solaroz Project.

Lithium in Argentina

Argentina holds the world's biggest lithium resources (as brine deposits) and is currently the world's third largest producer of lithium, after Australia and Chile.

One of the key attractions of lithium brine projects in Argentina is their low cost of production compared to hard rock lithium projects – Argentinian (and Chilean) lithium brine projects are well recognised as being the lowest on the lithium carbonate production cost curve.

The principle reason for the low operating cost is that lithium rich brine, once pumped to the surface (typically from aquifers at up to several hundred metres depth) is then transferred to large evaporation ponds, which rely on free energy from the sun and local atmospheric conditions to concentrate the brine. There are generally no environmentally damaging tailings or toxic by-products.

Strike proposes to follow the well-established and proven production methodology for converting lithium-rich brines into lithium carbonate in a similar manner to existing Argentinian based lithium brine producers.

FOR FURTHER INFORMATION

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company and owns 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.

JORC CODE (2012) COMPETENT PERSON'S STATEMENT

The information in this document that relates to 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 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). Mr Smith has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.