

QUARTERLY REPORT

COMPANY DETAILS

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ASX CODE
SRK

SECURITIES ON ISSUE

30 June: 145,334,268 listed shares
25 July: 167,134,268 listed shares

BOARD OF DIRECTORS

Farooq Khan
(Chairman)

William Johnson
(Managing Director)

Malcolm Richmond
(Non-Executive Director)

Matthew Hammond
(Non-Executive Director)

Victor Ho
(Director)

COMPANY SECRETARY

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FOR FURTHER INFORMATION

William Johnson
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31 October 2019

QUARTERLY ACTIVITIES

Strike Resources Limited (ASX:SRK) (**Strike**) presents its Quarterly Report for the quarter ended 30 September 2019. As at 30 September 2019, Strike had net assets of ~\$3.661 million (comprising ~\$2.567 million gross cash, ~\$0.56 million investments¹ and ~\$0.534 million in other assets less provisions/accruals/trade creditors of ~\$0.141 million).

Paulsens East Iron Ore Project, Pilbara (Australia).

During the September Quarter, the Company announced a significant upgrade of its JORC Inferred Mineral Resource at Paulsens East, to a **JORC Indicated Mineral Resource of 9.6 Million Tonnes of 61.1% Fe**. The company also announced very favourable metallurgical testwork results and is rapidly advancing an economic study on (and seeking approvals for) a potential direct shipping ore (DSO) mining operation from this project, to take advantage of current high iron ore prices.

Apurimac Iron Project (Peru)

The Peru Government funded international study consortium has selected the preferred route for the Andahuaylas Railway, which aligns with Strike's previous railway study and would directly link Strike's Apurimac Iron Ore Project directly to a multi-user port. The Company continues to investigate opportunities to generate near term cashflow and value from its Peru iron ore assets, to take advantage of current high iron ore prices.

Solaroz Lithium Brine Project (Argentina)

During the quarter the Company submitted an Environmental Impact Assessment (EIA) to the local regional mining authority; once approved, the company plans to begin an extensive exploration programme to test for the occurrence of lithium-rich brine in the Solaroz Concessions.

Capital Raising

On 18 July 2019, the Company raised \$0.981 Million through a placement of 21,800,000 shares at 4.5 cents per share to professional and sophisticated investors. This capital raising was ratified by shareholders at a General Meeting held on 6 September 2019².

Key Appointments

Experienced industry executives Wayne Richards and Shanker Madan have been engaged by the Company to assist with the fast-track development of the Paulsens East Iron Ore Project.

About Strike Resources Limited (ASX:SRK)

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

¹ Investments comprise liquid investments in a diversified portfolio of various ASX 200 listed resource stocks

² Notice of General Meeting to Ratify \$1 Million / 21.8 Million Share Placement

PROJECTS

Paulsens East Iron Ore Project, Pilbara

With the recent increase in iron ore prices (and with a number of market commentators forecasting these prices to remain strong for the medium term), Strike is currently undertaking an economic study on and advancing approvals for a Direct Shipping Ore (DSO) mining operation at Paulsens East (Strike:100%) located in the Pilbara, Western Australia.

On 18 July 2019, Strike reported a significant Maiden JORC Inferred Mineral Resource for its Paulsens East Iron Ore Project of **9.1 Million tonnes at 63.4 % Fe, 5.6% SiO₂ and 3.2% Al₂O₃**.

On 4 September 2019 the Company reported a significant upgrade from Inferred to JORC Indicated Mineral Resource of **9.6 million tonnes at 61.1 % Fe, 6.0% SiO₂ and 3.6% Al₂O₃**.



Figure 1: Paulsens East Project Location, West Pilbara.

The JORC Indicated Mineral Resource estimate is based upon data derived from two drilling campaigns undertaken by Strike (comprising a total of 66 reverse circulation (**RC**) holes for 3,537 metres drilled) together with extensive rock chip sampling and recently completed precision drone survey, mapping and sampling programmes.

Table 1 summarises the JORC Indicated Mineral Resources³ within a 58% Fe lower grade cut-off wireframe. These resources extend from the surface to 75 metres below the deepest drill intersection or the 150 metre RL (reduced level), whichever occurs first.

JORC Category	Fe% Range	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

Table 1: Paulsens East Mineral Resource estimate using a 58% Fe lower cut-off wireframe

A key feature of the Paulsens East Mineral Resource is an approximately 3 kms long ridge of outcropping hematite conglomerate which extends up to 60 metres above the surrounding terrain (refer Figure 2). Of the JORC Indicated Mineral Resource referred to above, approximately 3 million tonnes of 61% Fe hematite material (with 5.9% SiO₂ and 3.6% Al₂O₃) is estimated to occur above the base of the ridge (as defined by drill hole collars) with minimal overburden.

In addition, there is potential to extend the resource for a strike distance of approximately 2 kms along an arcuate extension of the ridge to the south east. This extension is based on small hematite conglomerate outcrops along the surface and a plus 60% Fe drill intersection at a depth of 20 metres at the eastern boundary of the Retention license.



Figure 2: Paulsens East Hematite Ridge, facing North

³ Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project

Strike envisages that mining the approximately 3 million tonnes of outcropping 61% Fe hematite material can be undertaken relatively simply using shovels and trucks, with minimal overburden. Excavated material would then be crushed and screened on site prior to transport by road to a suitable port facility for export.

Subsequent to the end of the quarter, on 10th October 2019 Strike reported the results of metallurgical testwork undertaken on samples sourced from surface mineralisation across the entire strike length of the deposit. The results were highly encouraging, indicating the potential for a very high proportion (approximately 79%) of the processed ore to be categorised as 'lump' ore, with low deleterious elements, low degradation during transport and other positive metallurgical properties. The indicated lump yield is regarded as very positive for the project as lump material typically attract a price premium over equivalent fines material of the same grade.

As part of the metallurgical testwork, Specific Gravity (SG) measurements were also undertaken on 20 samples (averaging 65% Fe) taken from the ridge. These returned a consistent result of 4.80. It should be noted that JORC Indicated Mineral Resource estimate is based on an assumed SG of 4.2, taking into account dilution and low-grade envelope.

Further SG measurements are planned on lower grade material and waste in outcrop and at depth in drill holes for mine planning purposes and to determine potential for increase in resource size and a decrease in mining strip ratios.

During the quarter, rapid progress has also been made with the project economic study and approvals, including:

- The lodging of an application with the Department of Mines Industry Regulation and Safety (DMIRS) to convert the current Retention Licence R47/07 to a Mining Lease.
- The completion of the first stage of field work for the Environmental Impact Assessment (EIA).
- The engagement of a native title consultant to assist the Company with its Native Title negotiations and the holding of an initial meeting with representatives of the relevant Aboriginal groups.
- The advancement of the mine planning study.
- Provisional estimates/quotations received from potential mining, processing and transport contractors/operators.
- Ongoing discussions with potential offtake partners.

The Company expects to provide an update on the progress of its economic study once it has confirmed its preferred port location and associated logistics parameters.

Subject to successful completion of the above and prevailing market conditions, Strike plans to then proceed to:

- Enter into a port access agreement.
- Finalise contract mining and trucking agreements.
- Enter into product offtake agreement(s).
- Initiate any required project financing.
- Commence production and first shipment.

For further reference, refer to Strike's ASX Announcement:

- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara.
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project' dated 4.9.19.
- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities

Solaroz Lithium Project (Argentina)

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

Solaroz comprises concessions (**Solaroz Concessions**) totalling 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.

Solaroz Concessions

The Solaroz Concessions comprise 8 (eight) exploitation concessions totalling 12,000 hectares (refer *Figure 3*) 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.

The location is supported by favourable 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.

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*).

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 Orocobre⁴ 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.

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

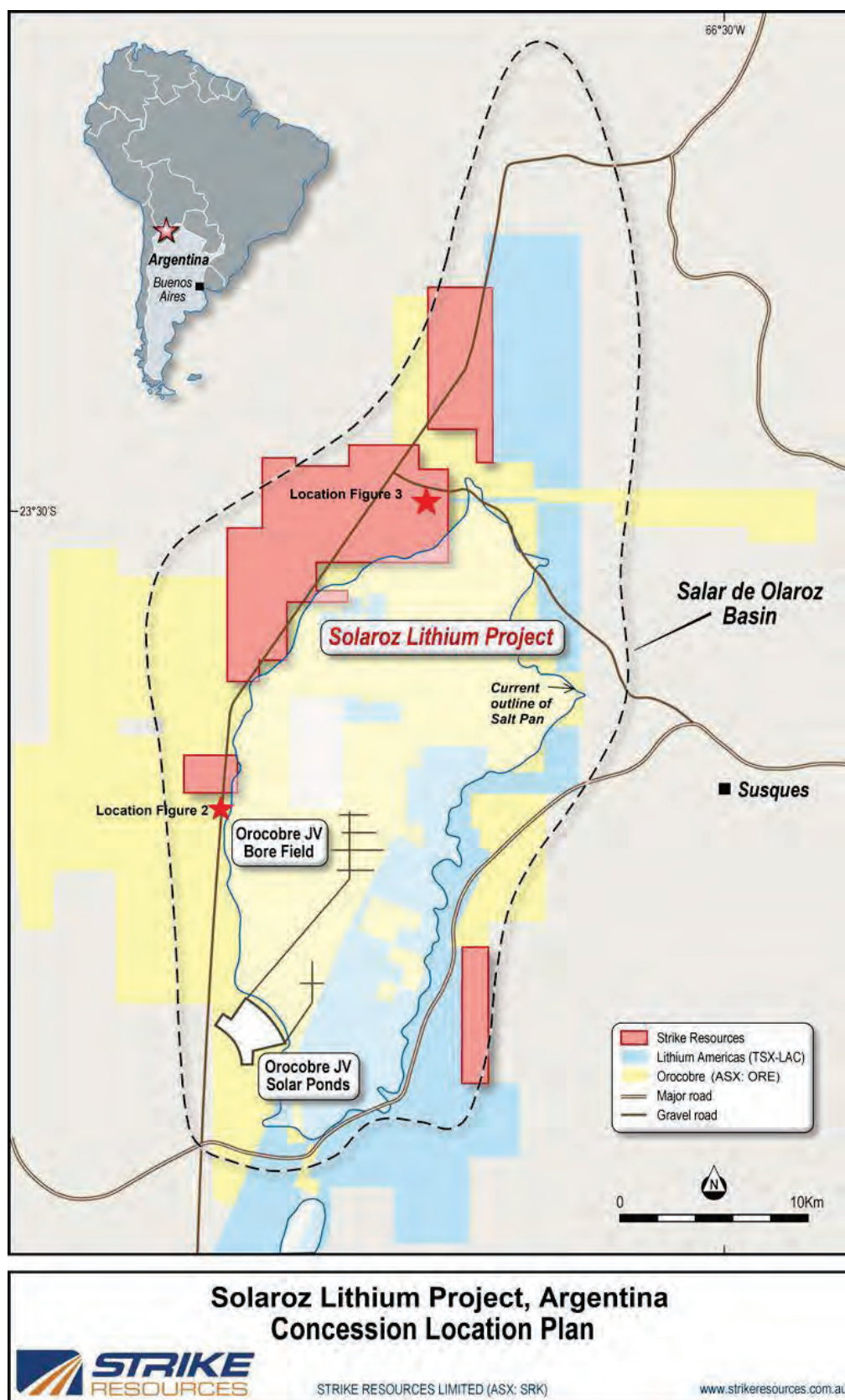


Figure 3: Solaroz Project – Location of Concessions

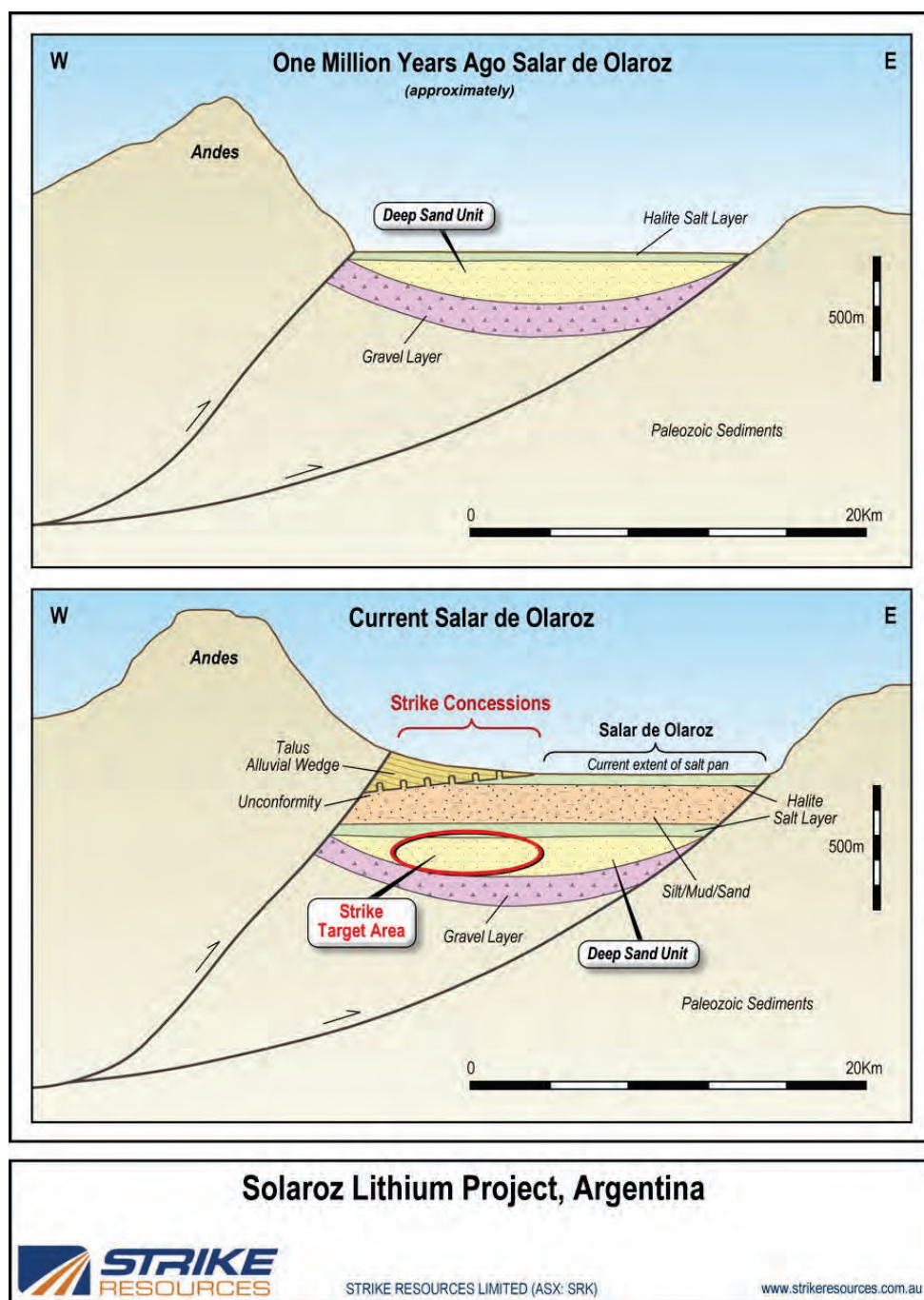


Figure 4: Geological cross sections depicting evolution of Olaroz Salar Basin and Strike's primary target zone for lithium mineralisation

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.

Completion of Environmental Impact Assessment Report

During the quarter, Strike completed the preparation of an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz. The EIA Report includes results from collecting and monitoring baseline environmental data and a detailed proposed fieldwork programme covering 2 years of proposed exploration activity. Following a period of consultation with local community groups, the EIA Report was submitted to the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at Solaroz) for review.

Strike expects the review process to take several months, after which Strike expects to be able to commence its exploration programme. Strike's planned exploration programme (subject to approval of the EIA) consists of geophysical surveys, followed by drilling, sampling and flow rate testing in the event that sufficient brine is intersected.

For further details please refer to Strike's announcements:

- 13 March 2019: "Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle";
- 17 April 2019: "Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina".

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.

Apurimac Iron Ore Project, Peru

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



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

Over A\$50 Million has been expended by Strike since 2005 on acquisition, exploration, study and administration costs relating to its Peru assets.

The exceptionally high-grade +57% Fe magnetite iron at Apurimac is almost twice as high as the grades of magnetite deposits developed in Australia. The Apurimac ore bodies present as continuous broad zones of mineralisation with dominantly high grade, coarse grained magnetite providing comparatively high mass recoveries (>60%) at coarse grind size (>500 microns).

Favourable topography (see Figure 6) indicates the potential for a low mining strip ratio (between 1.2 – 1.8) and the coarse-grained nature of the ore provides significant processing energy savings as only coarse grinding is necessary to liberate the magnetite.



Figure 6: Outcropping Iron ore at the Opaban 1 ore body

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.84% Fe and 127 Mt Inferred Resource at 56.7% Fe).⁵

Metallurgical testwork on reverse circulation chip samples from the Opaban 1 ore body has returned excellent product grades with low impurities, at coarse crushing with particle sizes of 80% passing 125 and 250 microns:

	%
Fe	68.02 to 68.28
P	0.01 to 0.02
SiO₂	1.51 to 1.77
Al₂O₃	0.30 to 0.35

Table 2: Testwork results showing potential for high grade, low impurity product from Opaban 1 ore

Within this JORC Resource there has also been identified the potential for low impurity Direct Shipping Ore (DSO) material of approximately 67.9 Mt at 61.5% Fe with low impurities (refer Table 3) which could be mined from surface and shallow near surface mineralisation.

5 Refer Strike's ASX Announcement dated 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

	%
Fe	61.5
P	0.03
S	0.1
Al₂O₃	1.7
LOI	1.0

Table 3: Opaban 1 DSO characteristics

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

A Pre-Feasibility Study completed in 2008⁶ and updated in 2010⁷ on the Apurimac Project indicated clear potential for development of a world class iron ore project, with competitive capital costs and very low operating costs:

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

In early 2018, the Peru Government signaled its intention to undertake a study into building a 570 kilometre multi-railway, which would connect Strike's Apurimac Project to a multi-user port on the west coast of Peru.⁸

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

Included in the 2008 and 2010 studies referred to above, was a comprehensive study undertaken by international engineering companies into the technical and commercial aspects of building a railway from Andahuaylas to San Juan de Marcona. A detailed route alignment was mapped by Strike, together with capital and operating cost estimates (in the order of +- 20%) relating to:

- track infrastructure;
- equipment, including locomotives, ore wagons, maintenance of way machines, vehicles etc;
- maintenance and operating facilities, including repair shops, tools and equipment, railway offices, communications and train control equipment, bunkhouses and online buildings; and
- railway system manpower.

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

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

8 Refer Strike's ASX Announcement dated 23 October 2018: Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port and 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port

Earlier in the year, the Company executed a Cooperation and Confidentiality Agreement⁹ with the consortium undertaking the Government funded railway study, to provide input and assistance to the study. Under this agreement, strike is sharing its earlier railway study referred to above, with the current study consortium and has committed to provide additional assistance as necessary to assist with the current study.

During the September Quarter, the Managing Director attended a review meeting in Peru with representatives from the railway study consortium and from other major mining companies operating in or close to the Apurimac region. At this meeting it was confirmed that the study consortium has selected the preferred route for the railway, which aligns with the route previously identified by Strike in its own studies. This route leads directly to the existing airport at Andahuaylas, which is located only several hundred metres from Strike's main Opaban I deposit.

The selection of the preferred railway route is significant for Strike, since if the railway goes ahead as planned using this route it will deliver the ideal transport infrastructure solution to advance the Apurimac Iron Ore Project, with the railway line envisaged to start directly at Strike's project and terminating at a multi-user export port on the coast of Peru.

The railway study is scheduled to be completed by the second calendar quarter of 2020.

Short to Medium Term Production Potential from Apurimac

Given the time framework for the construction of a potential railway from the Apurimac deposit to the coast is yet to be finalised, Strike believes it is appropriate to examine ways in which it can potentially bring a smaller scale mining and trucking operation into production utilising very high grade surface and near surface mineralisation that is present across the Opaban 1 and Opaban 3 deposits.

As referred to above, within the current JORC Mineral Resource of 269 Mt at 57.3% Fe there has been identified the potential for DSO material of approximately 67.9 Mt at 61.5% Fe (with low impurities) to be mined from surface and shallow near surface mineralisation.

In December 2013, Strike commenced a pilot operation, where approximately 8,000 tonnes of ore was mined from surface outcrops from its concessions by local artisanal miners, using an excavator.



Figure 7: Excavation of high-grade iron ore from Opaban 3, 2013

⁹ Refer Strike's ASX Announcement dated 18 April 2019: Strike Enters into Cooperation Agreement with Peru Railway Consortium



Figure 8: Stockpile created from artisanal mining at Opaban 3 deposit, 2013

Once mined, the ore was transported to a third-party crushing plant near the coastal town of Pisco in Southern Peru. After crushing, the ore was sold to a local steel plant for use in their blast furnace to produce steel for the domestic market.

The quality of iron ore product delivered to the plant was consistently superior than the minimum characteristics specified by the plant (refer Table 4).

	%
Fe	> 64
P	< 0.08
S	< 0.08
SiO₂	< 4.0

Table 4: Peru steel plant minimum specifications for delivered iron ore

Strike gained valuable experience in the mining and transport of iron ore from its concessions during this pilot programme and believes that, given the current and expected iron ore price in the medium term, the pilot programme can potentially be expanded to produce a small scale but high grade iron ore mining operation in a relatively short period, for export of iron ore to China.

Such an operation would be undertaken in compliance with Peruvian legislation permitting small groups of local 'artisanal miners' (that are in the process of being formalised under applicable regulations) to mine up to 350 tonnes per day (or ~125,000 tonnes per annum) from specific portions of a mining concession. This legislation allows for significantly reduced timetables and simplified processes for obtaining environmental and other permitting.

Based upon the pilot production previously undertaken and a review of the DSO material, Strike would target initial production of high-grade DSO with low impurities as follows:

	%
Fe	64.35
P	0.07
S	0.07
SiO₂	2.85
LOI	0.56
Al₂O₃	0.91

Table 5: Target characteristics of DSO material from Opaban 3

Given Strike's concessions contain multiple locations of outcropping ore, it is possible that multiple areas could be mined simultaneously by different groups of local artisanal miners under Strike's direction, thus giving Strike the potential to sell several hundred thousand tonnes of DSO per year to Chinese (and potentially other) buyers.

During the quarter, Strike has advanced discussions with the local community and artisanal miners, together with potential equipment suppliers and transport operators and continues to examine the practicalities and commercial viability of commencing such an operation in the near term.

The Company will update the market on this in due course.

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.

Burke Graphite Project, Queensland

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

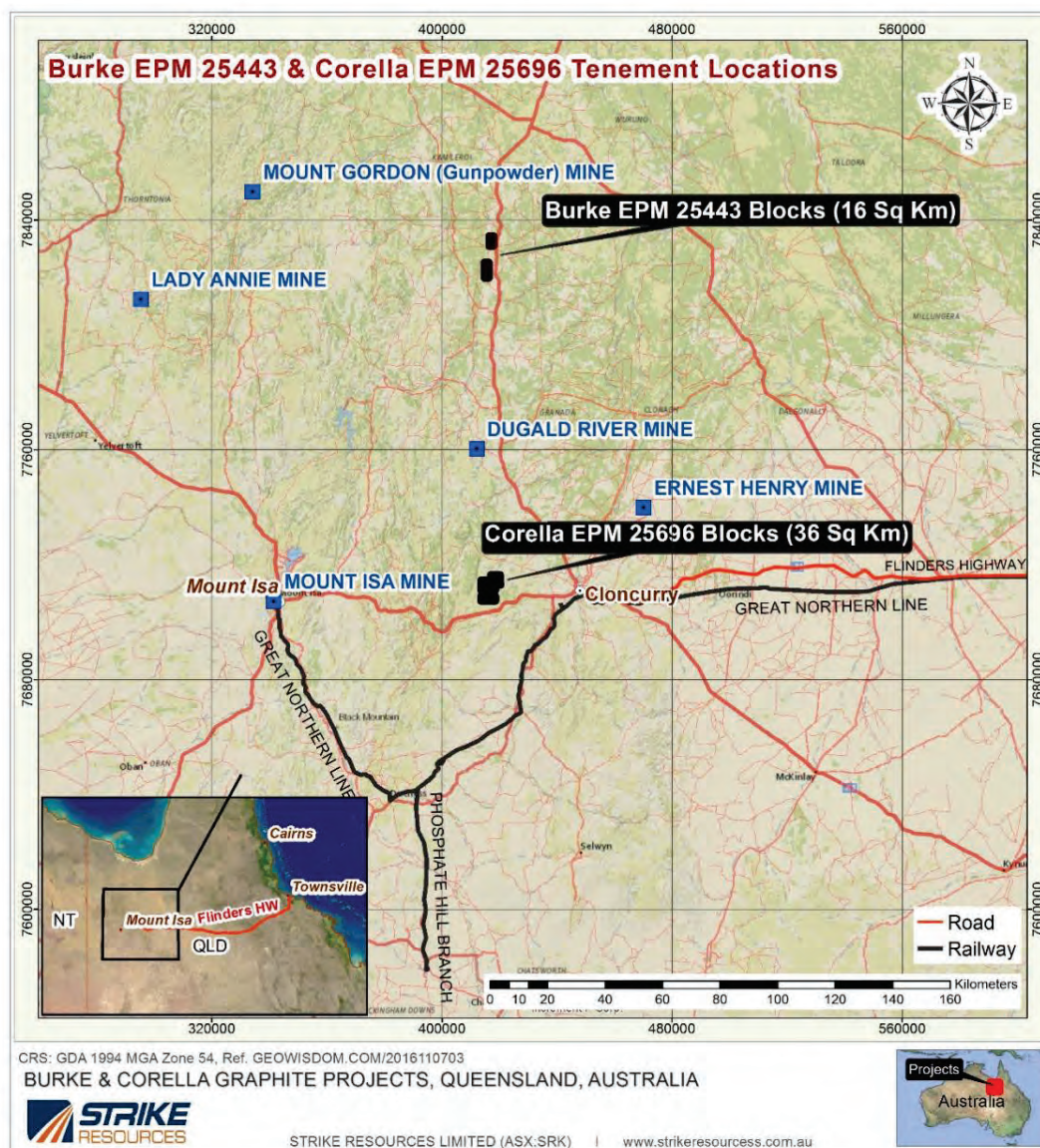


Figure 9: Burke Graphite Project Tenement Location in North Central Queensland

A Mineral Resource Estimate (**MRE**) for the Project has defined a maiden Inferred Mineral Resource of¹⁰:

- **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.

¹⁰ 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).

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.

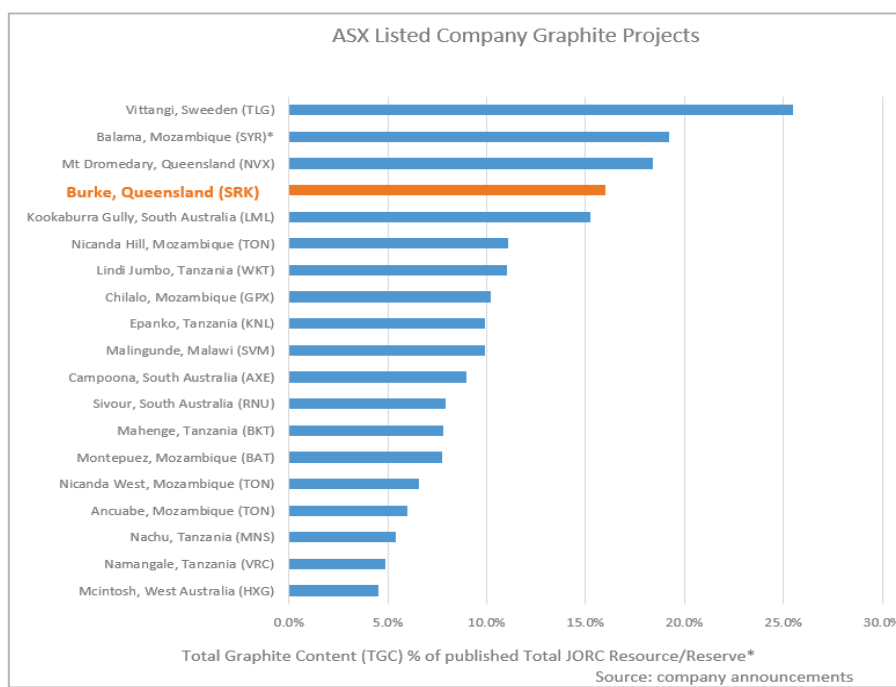


Figure 10: Selected TGC% of Published Total JORC Resource/Reserve* vs. Maiden Burke Mineral Resource Estimates

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

Ground EM Survey Results

A ground Electro Magnetic (**EM**) survey was completed during 2018, covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017¹¹) and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443).¹²

The EM survey identified the Corella Prospect as a significant target area for additional high grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke Prospect.

The Corella Prospect (north east corner of EPM 25696 (South)) EM survey was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the "Milo beds" - within the Corella Formation. Graphite grading 5 -10% TGC is widespread throughout the outcropping Milo beds and the EM survey was carried out to identify higher-grade areas of mineralisation and identify future drill targets. The survey highlighted an area of approximately 1000m x 500m (refer *Figure 11*) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke EPM 2543 tenement were identified.

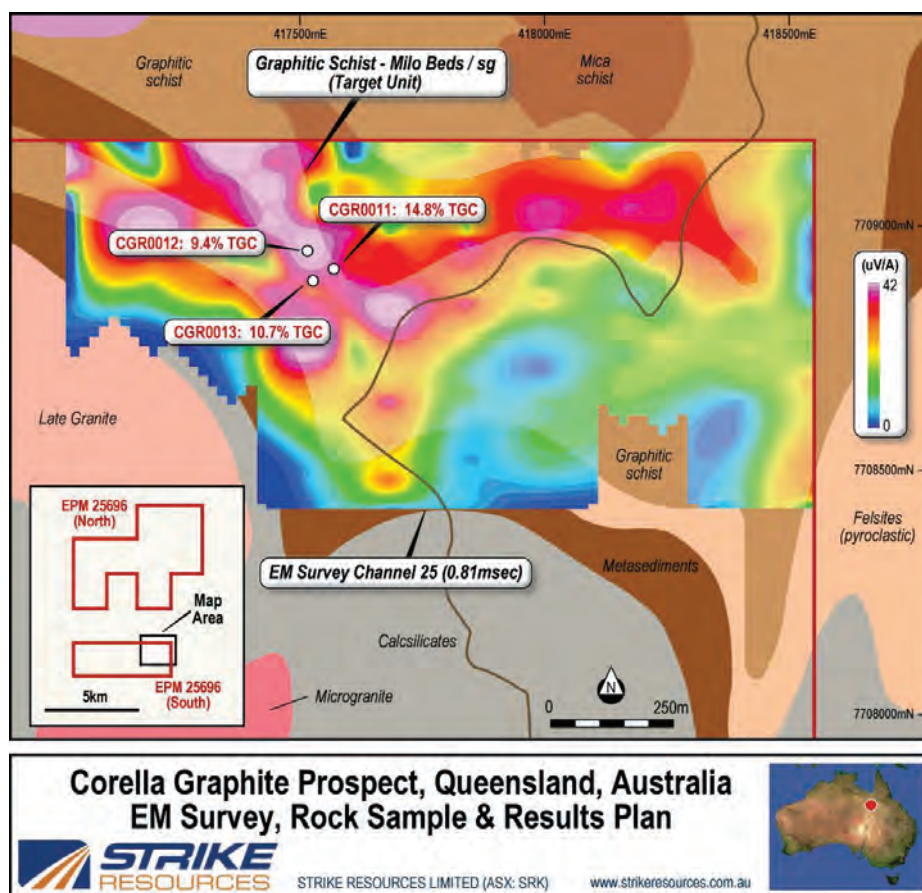


Figure 11: EM Survey - Corella Prospect, Burke Graphite Project

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

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

The conductive features identified at the Corella Prospect appear to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips (from previous sampling by Strike) of up to 14.85% TGC¹³.

In addition to identifying the new potential at Corella, the EM survey identified minor structural offsets, together with new zones of increased conductivity at the previously drilled Burke Prospect.

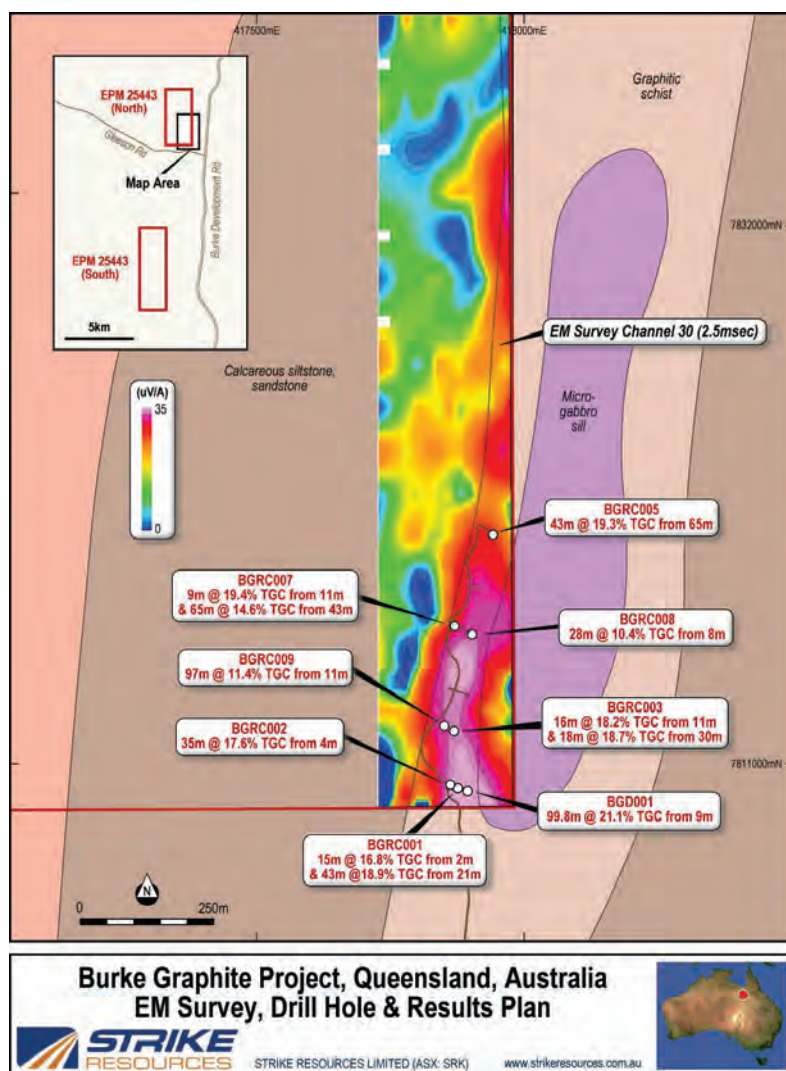


Figure 12: EM Survey - Burke Prospect, Burke Graphite Project

The EM survey over the south-eastern corner of Burke EPM 2543 (North) was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists of the Corella Formation. The survey highlighted the high-grade graphite identified in Strike's maiden drilling programme⁸ and identified minor structural offsets, together with new zones of increased conductivity (refer Figure 12). In addition, the survey verified the width and dip of the drill intersected high-grade graphite.

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

¹³ Refer Strike's ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

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 occur either within the pegmatite veins or within alluvials draining the elevated areas containing the pegmatite veins.

In 2016 Strike acquired two exploration licences, EL45/4799 and EL45/4800 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.

These 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 13).

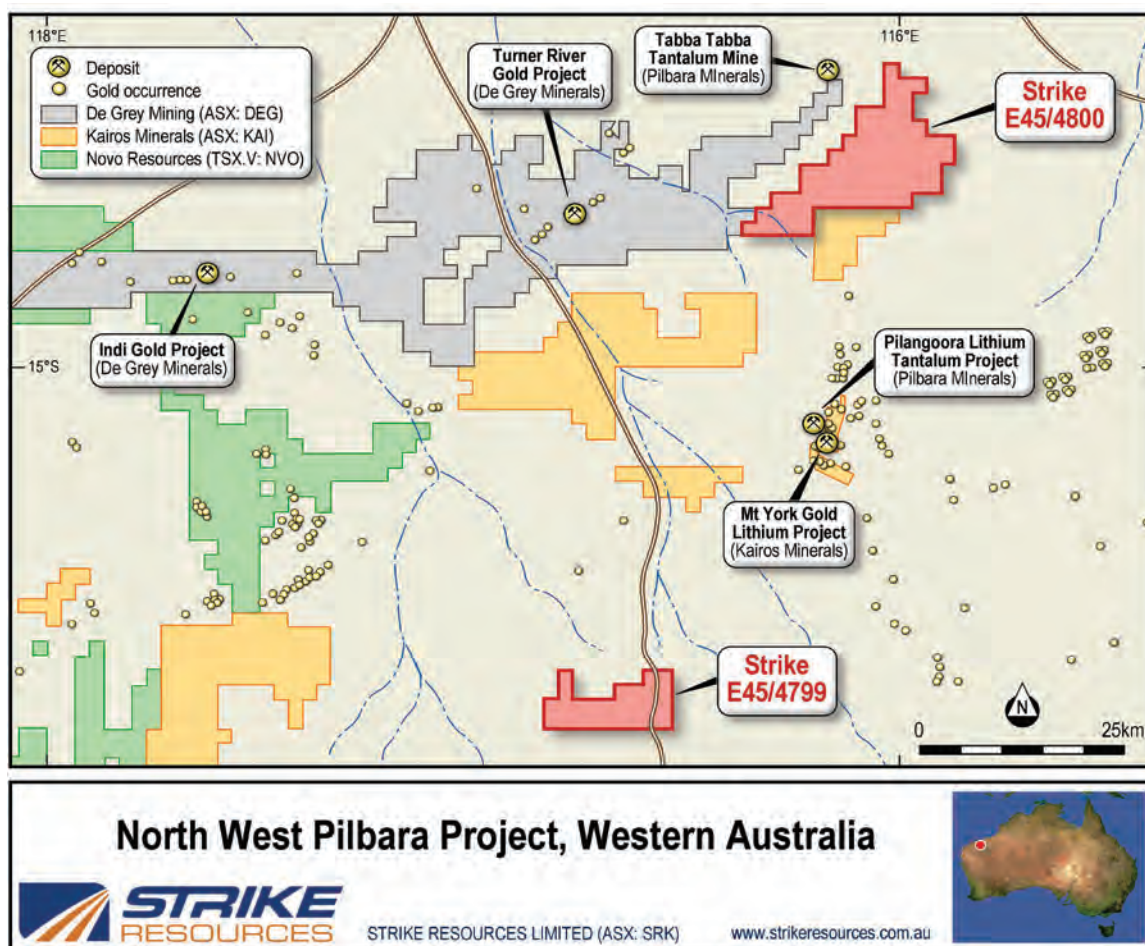


Figure 13: Strike's North-West Pilbara Tenements (EL 45/4799 and EL 45/4800)

Following reviews of historical information and ground-based reconnaissance and sampling programs, Strike relinquished tenement EL45/4799 during the quarter due to lack of perspective for the target minerals (lithium and gold).

During the quarter Strike undertook ground exploration on exploration tenement EL45/4800 and is currently evaluating the results.

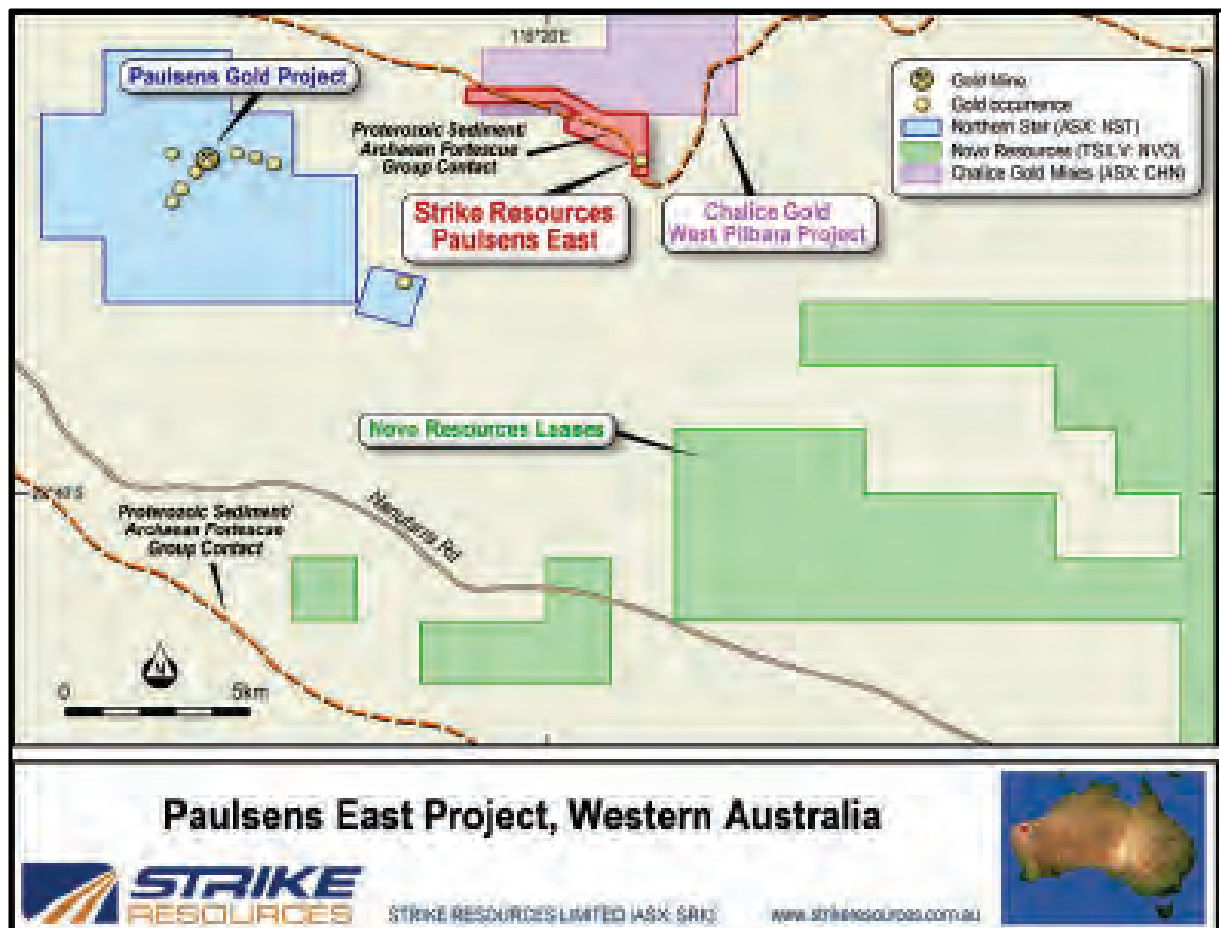


Figure 14: Strike's Paulsens East Tenement (Retention Licence RL 47/7)

A review by Strike of the historical data within the Paulsens East tenement 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.

During the quarter, a further sample was collected from the tenement for analysis – results are pending.

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

Capital Raising

On 18 July 2019, the Company raised \$0.981 Million through a placement of 21,800,000 shares at 4.5 cents per share to professional and sophisticated investors. This capital raising was undertaken to assist with the advancement of the Paulsens East Iron Ore Project, other Company projects and for general working capital purposes. The capital raising was ratified by shareholders at a General Meeting held on 6 September 2019¹⁴.

Key Appointments

Subsequent to the end of the quarter the Company announced that Wayne Richards and Shanker Madan had been engaged by the Company, primarily to assist with the fast-track development of the Paulsens East Iron Ore Project.

Wayne Richards is a very experienced and accomplished Mining Executive, having fulfilled Board and Executive roles within the iron ore, nickel and refining industries across Australia, Africa, China and India. Mr Richards was the former Executive Chairman and CEO of Tawana Resources (ASX: TAW) and the Managing Director of Brockman Resources (ASX:BRM) - both companies associated with the exploration, design and development of iron ore projects within West Africa and the Pilbara region of Western Australia. Mr Richards has also held the role of Managing Director of IronClad Mining (ASX:IFE), which was developing a similar style iron ore project to that of Strike's Paulsen's East deposit in the West Pilbara region of Western Australia.

Mr Richards brings a wealth of project and corporate knowledge to Strike, having completed studies from Scoping to Definitive Feasibility Level (including Final Investment Decision). He is a competent Project Director and familiar with project regulatory approvals, financing and marketing activities required to design and operate iron ore mines and their associated logistics.

Shanker Madan has had world-wide experience in the exploration and evaluation of mineral deposits for various commodities. Mr Madan has been a Manager with Hamersley Iron, Group Leader with BHP Minerals, Chief Geologist with Hancock and Wright Prospecting and a Senior Geological Consultant to the Rio Tinto Group.

Mr Madan has managed a range of mineral evaluation studies in Iran, Brazil and Western Australia for BHP, Rio Tinto and Hamersley Iron. He has also acted as a consultant to Rio Tinto, Ashton Mining and others on mineral projects in Brazil, South Africa, India, the Philippines, Fiji and the United States, working on a range of iron ore, diamond, gold, copper and chromate deposits.

Mr Madan has been involved in the discovery of three world-class iron ore deposits in Western Australia for Texas Gulf and BHP Minerals. From 1997 to 2001, Mr Madan managed the evaluation of resource projects for Hamersley Iron and completed a resource due diligence study of the billion-dollar West Angelas project in the Pilbara region of Western Australia. Mr Madan is a member of The Australian Institute of Mining and Metallurgy.

14 Notice of General Meeting to Ratify \$1 Million / 21.8 Million Share Placement

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

Cusco Iron Ore Project (Peru)

(Strike – 100%)

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

Solaroz Lithium Brine Project (Argentina)

(Strike – 90%)

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

Paulsens East Tenement (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	Pending conversion to Mining Lease ML 1583 (applied on 28 August 2019)	~381 Ha	~3.81

Burke Graphite Project (Queensland)

(Strike – ~70%)

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

Pilbara Tenement (Western Australia)

(Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
EL 45/4800	Granted	10/8/2017	9/8/2022	70 blocks	~225

JORC MINERAL RESOURCES

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

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

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

JORC Category	Fe% Range	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

Note: Paulsens East Mineral Resource estimate using a 58% Fe lower cut-off wireframe.

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

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 – ~70%)

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

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

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

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

JORC CODE COMPETENT PERSON'S STATEMENTS

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

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

- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project
- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara

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

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

- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities

The information in the original announcements that relates to metallurgical testwork in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is based on, based on and fairly represents information and supporting documentation compiled by Mr Philip Jones, who is a Member of the AusIMM and AIG. Mr Jones is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS Metallurgy Iron Ore Technical Centre (ALS IOTC) on a bulk sample collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork report. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

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".

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 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 – Solaroz Lithium Brine Project

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

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

The information in the original announcement that relates to 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 JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

The information in this document that relates to **Mineral Resources** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcement made by 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 (an employee of CSA Global Pty Ltd) under the direction and supervision of Dr Andrew Scogings (employed by CSA Global Pty Ltd at the date of the original announcement). Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of AIG and AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement 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.

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.

The information in this announcement 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 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 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)

30 September 2019

Consolidated statement of cash flows

	Current Quarter Sep-2019 \$A' 000	Year to Date 3 months \$A' 000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(316)	(316)
(b) development	-	-
(c) production	-	-
(d) staff costs	(125)	(125)
(e) administration and corporate costs	(135)	(135)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	5
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	(571)	(571)

Consolidated statement of cash flows	Current Quarter Sep-2019 \$A' 000	Year to Date 3 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	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	870	870
(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	870	870
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	981	981
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	(65)	(65)
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	916	916
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,350	1,350
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(571)	(571)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	870	870
4.4 Net cash from / (used in) financing activities (item 3.10 above)	916	916
4.5 Effect of movement in exchange rates on cash held	2	2
4.6 Cash and cash equivalents at end of period	2,567	2,567

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A' 000	Previous Quarter \$A' 000
5.1 Bank balances	2,542	1,325
5.2 Call deposits	25	25
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)	2,567	1,350

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	125
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	

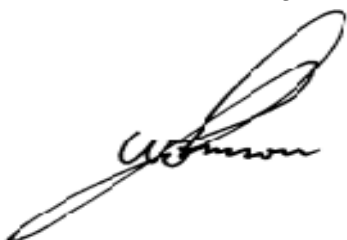
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A' 000	Amount drawn at quarter end \$A' 000
8.1 Loan facilities 8.2 Credit standby arrangements 8.3 Other (please specify)	- - -	- - -
8.4 Include below a description 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 9.2 Development 9.3 Production 9.4 Staff costs 9.5 Administration and corporate costs 9.6 Other (provide details if material)	300 50 - 128 100 -
9.7 Total estimated cash outflows	578

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 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Quarterly Activities Report			
10 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.



31 October 2019

William Johnson
Managing Director

See Chapter 19 of ASX Listing Rules for defined terms

Notes

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

		30-Sep-19		
ASX code	Company	No Shares	Last Bid Price	Market Value
S32	South32 Limited	130,000	\$2.62	\$340,600
RSG	Resolute Mining Limited	100,000	\$1.42	\$142,000
AUL	Austar Gold Limited	14,444,444	\$0.003	\$43,333
	Other listed shares	various	various	\$33,840
				<u>\$559,773</u>

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

2. 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.
3. 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.
4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.