

1. Nil Consideration Payable

No subscription or application monies will be payable for the issue of each option (**Option**).

2. Entitlement

2.1 Each Option shall entitle the holder (being an Eligible Participant) (the **Option Holder**) to subscribe (in cash) for one (1) fully-paid ordinary share (**Share**) in the capital of Strike Resources Limited ACN 088 488 724 (**Company**) at the Exercise Price.

2.2 "**Eligible Participant**" has the meaning defined in the Company's Securities Incentive Plan (from time to time).

2.3 "**Exercise Price**" means 145% of the volume-weighted average price of the Company's shares over the 5 trading day period up to (but excluding) the Application/Acceptance Date (rounded to the nearest half of one cent) [being \$0.21].

2.4 "**Application/Acceptance Date**" means the date of the Eligible Participant's acceptance of the Company's Invitation to subscribe for Options pursuant to the Company's Securities Incentive Plan [being 24 December 2020].

2.5 The Options will not be quoted on the ASX.

3. Option Period

Each Option will expire at 5:00pm (Perth time) on the day prior to the third anniversary of the Application/Acceptance Date [being 23 December 2023] (such date being referred to as the **Option Expiry Date**). Subject to Clauses 4, 5 and 9 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.

4. Vesting Conditions (Non-Exercise Periods)

4.1 Options may only be exercised after they have vested. The Options will vest (which Options may therefore be exercised at any time thereafter and prior to the Option Expiry Date (**Vested Options**) as follows:

4.1.1 As to two-thirds of the Options issued to the Option Holder - Upon the attainment of **Milestone 1**); and

4.1.2 As to one-third of the Options issued to the Option Holder - Upon the attainment of **Milestone 2**.

4.2 "**Milestone 1**" means the receipt of proceeds of sale from the shipment of the first 100,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project located in the Pilbara, Western Australia.

4.3 "**Milestone 2**" means the receipt of proceeds of sale from the shipment of the first 1,000,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project located in the Pilbara, Western Australia.

4.4 Any Option that has not vested in accordance with clause 4.1 will immediately vest on, and may be exercised on and from, the date of such vesting until 5.00pm on the Option Expiry Date (subject to lapse in accordance with these terms of issue) where:

4.4.1 a takeover bid is made for the Company;

4.4.2 a Court orders that a meeting of shareholders of the Company be held to consider a scheme of arrangement between the Company and its shareholders; or

4.4.3 some other transaction has occurred, or is likely to occur, which involves a Change of Control of the Company.

4.5 "**Change in Control**" means where a person (or two or more persons acting in concert) who previously held less than 40% (forty per cent) of the voting shares in the Company increases their holding to at least 40% (forty per cent) of the voting shares in the Company.

5. Lapsing of Options Prior to Option Expiry Date

5.1 Options will lapse prior to the Option Expiry Date in the circumstances described below:

5.1.1 Where Options are able to be exercised (that is, Options have vested under Clause 4):

5.1.1.1 Upon determination by the Board that the Eligible Participant Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company;

5.1.1.2 Upon the Eligible Participant Option Holder ceasing to be an Eligible Participant of the Company (for whatever reason including by retirement, resignation, termination, removal by shareholders or failure to be re-elected by shareholders) and not exercising the option within three (3) months following that event; or

5.1.1.3 Six (6) months after the death, permanent illness or permanent physical or mental incapacity of a Eligible Participant Option Holder,

unless the Board determines, in its unfettered discretion, that the Options or any of them will not lapse or that their lapse will be delayed for any period or until the occurrence of any condition.

5.1.2 Where Options have not vested in accordance with Clause 4:

5.1.2.1 Upon determination by the Board that the Eligible Participant Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company;

5.1.2.2 Upon the Eligible Participant Option Holder ceasing to be an Eligible Participant of the Company (for whatever reason including by retirement, resignation, termination, removal by shareholders or failure to be re-elected by shareholders); or

5.1.2.3 Upon the death, permanent illness or permanent physical or mental incapacity of a Eligible Participant Option Holder.

5.2 Nothing in this clause means that any Option can be exercised after the Option Expiry Date.

5.3 "**Eligible Participant Option Holder**" means:

5.3.1 the Option Holder (being the Eligible Participant of the Company at the date of issue) if the Option has not been transferred under clause 8 or;

5.3.2 the original Option Holder (being the Eligible Participant of the Company at the date of issue) if the Option has been transferred under clause 8.

6. Ranking of Share Issued on Exercise of Option

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares in the capital of the Company on issue at the date of issue of the Share issued pursuant to the exercise of the Option.

7. Notification to Option Holders

The Option Holder will be entitled to receive - and will be sent - all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

8. Dealings in Options

8.1 Save as provided in clause 8.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option, unless agreed in writing by the Board and subject to any applicable law and the ASX Listing Rules.

8.2 If the Option Holder is the Eligible Participant to whom the Company has offered to apply for Options, the Eligible Participant/Option Holder may at any time transfer all or any of their Options to the Eligible Participant's spouse, to a company in which the Eligible Participant or his spouse is a shareholder, to a trustee of a trust in which the Eligible Participant or his spouse has a beneficial interest to be held on that trust or to the trustee of any superannuation fund of which the Eligible Participant or his spouse is a member to be held in that member's account, subject to any applicable law and the ASX Listing Rules. After any transfer of an Option permitted by this clause 8.2, a reference to the Option Holder is a reference to the transferee.

9. Method of Exercise of an Option

9.1 A certificate or holding statement will be issued by the Company with respect to Options held by the Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed by the Option Holder when exercising the Options the subject of the certificate or holding statement (**Notice of Exercise of Options**). Vested Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Vested Options exercised and the consequent number of ordinary Shares in the capital of the Company to be issued. The number of Vested Options exercised must be a multiple of 1,000 if only part of the Option Holder's total Vested Options are exercised. If the total number of Vested Options held by the Option Holder is less than 1,000, then all Vested Options held by the Option Holder must be exercised at the same time.

9.2 The Notice of Exercise of Options by the Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed for, being an amount equal to the Exercise Price per Share multiplied by the number of Options being exercised.

9.3 Subject to Clause 9.1 hereof, the exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holders remaining Options (when vested).

9.4 On exercise of Vested Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement for the Options being exercised.

9.5 If the Option Holder exercises less than the total number of Vested Options then registered in the Option Holder's name:

9.5.1 the Option Holder must surrender the option certificate or holding statement with respect to the Option Holder's Options to the Company; and

9.5.2 the Company must cancel that option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.

9.6 Within five (5) business days from the date the Option Holder properly exercises Vested Options held by the Option Holder, the Company shall issue to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

9.7 The Company will (subject to any escrow restrictions imposed by ASX) within five (5) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act (Cth) 2001 and the Listing Rules of ASX.

10. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the Listing Rules of ASX applying to reconstructions at that time.

11. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlements to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

12. Change of Options Exercise Price or Number of Underlying Shares

12.1 If the Company makes a pro-rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of each Option shall be adjusted in accordance with the provisions of the Listing Rules of ASX. No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.

12.2 If the Company makes a bonus issue of Shares or other securities convertible into ordinary Shares pro rata to holders of ordinary Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the book closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.