

QUARTERLY REPORT

COMPANY DETAILS

ABN: 94 088 488 724

PRINCIPAL AND REGISTERED OFFICE

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ASX CODE

SRK

SECURITIES ON ISSUE

270,000,000 shares
1,000,000 Broker's Options
(\$0.15, 30 Nov 2023)
12,000,000 Directors' Options
(\$0.185, 3 Dec 2023)
1,000,000 Broker's Options
(\$0.33, 3 Jun 2024)

BOARD OF DIRECTORS

Farooq Khan
(Executive Chairman)

William Johnson
(Managing Director)

Malcolm Richmond
(Non-Executive Director)

Matthew Hammond
(Non-Executive Director)

Victor Ho
(Executive Director)

COMPANY SECRETARY

Victor Ho
cosec@strikeresources.com.au

AUTHORISED FOR RELEASE BY - FOR FURTHER INFORMATION:

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Managing Director
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31 January 2022

HIGHLIGHTS

Paulsens East Iron Ore Project, Pilbara (Western Australia)

- A staged approach is proposed to optimise the development of Paulsens East:
 - (1) Stage 1 Production will focus on detrital and low strip ratio materials of up to 400,000 tonnes to be shipped through the Utah Point Multi-User Bulk Handling Facility at Port Hedland; and
 - (2) Stage 2 Production at an annualised rate of 1.5 - 2Mtpa proposed to transition from Utah Point to Port of Ashburton at Onslow (reducing trucking distance by ~365kms).
- Pilbara Ports Authority (PPA) has confirmed export allocation through Utah Point to match Strike's proposed Stage 1 production of up to 400,000 tonnes of DSO during CY 2022, subject to Strike making a FID on the Project, Strike and finalisation of normal logistics and related operational plans.
- In consultation with PPA, Strike has lodged a Works Approval Application lodged with the Department of Water and Environmental Regulation (DWER) seeking approvals (pursuant to environmental legislation and regulations) for proposed operations at the Port of Ashburton.
- A final investment decision (FID) on Paulsens East is pending. The principal consideration for a positive FID is a review of forward iron ore prices with ancillary matters being the finalisation of contracts with key contractors and service providers and the finalisation of the structure and terms for iron ore offtake and project financing.

Apurimac Iron Ore Project (Peru)

- Second shipment of 15,000 tonnes of Apurimac Premium Lump (as an industrial trial) to South American steel mill completed, with full market price received on an FOB basis. Discussions are ongoing for long term offtake agreement.

About Strike Resources Limited (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which is developing the Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has commenced exporting "Apurimac Premium Lump" DSO product of ~65% Fe. Strike has a 43% shareholding in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9m IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.

PROJECTS

Paulsens East Iron Ore Project (Pilbara, Western Australia)

(Strike – 100%)

The Project is located ~10km from Northern Star Resources Limited's (ASX:NST) Paulsens Gold Mine, ~235km by road east of Onslow (and Port of Ashburton) and ~600km by road south of Port Hedland (refer Figure 1). The Project is ~20km from the private Wyloo Station airstrip previously used by the Paulsens Gold Mine, which is suitable to support the transport of the Project's FIFO workforce.



Paulsens East Iron Ore Project, Pilbara, Western Australia



STRIKE RESOURCES LIMITED (ASX: SRK)

www.strikeresources.com.au



Figure 1: Paulsens East Project Location, West Pilbara

Optimisation of Proposed Mining Operations and Port Logistics

Strike has determined a staged approach to optimise the development of Paulsens East, with up to the first 400,000 tonnes of planned production to be exported through Port Hedland and subsequent production (up to 2Mtpa) through the Port of Ashburton near Onslow (subject to receipt of necessary port and environmental permits and approvals).¹

Stage 1 Production and Export Through Utah Point, Port Hedland

Given the outcropping nature of the high grade Paulsens East iron ore ridge, which in parts lends itself to a very low strip ratio together with the presence of high-grade surface detrital iron ore, it is proposed that initial mining operations will focus on these two areas of mineralisation.

Up to 400,000 tonnes of ore will be crushed and screened from these areas to produce DSO Lump and Fines products, which will be trucked from the mine to the Utah Point in Port Hedland.

The advantages of Utah Point are that it is an existing facility that allows for early access, but with an attendant ~600 kilometres haulage cost from mine to Port.

Production under Stage 1 is expected to deliver up to 400,000 tonnes of export, before Strike transitions to Stage 2 exporting through the Port of Ashburton at Onslow, which affords a significantly shorter haulage distance of ~235 kilometres compared with ~600 kilometres to Utah Point.

Strike has been provided 200,000 tonnes of annualised export allocation from the Pilbara Ports Authority (PPA) (calculated per financial year - July to June), affording Strike the ability to deliver up to 400,000 tonnes of export through Utah Point during the 2022 calendar year. This coincides with Strike's planned Stage 2 time framework to transition to exporting through the Port of Ashburton at Onslow, at an annualised rate of up to 2Mtpa. This allocation from Utah Point is subject to Strike making a FID on the Project, Strike and PPA finalising a Logistics Plan with respect to haulage into the Utah Point facility and PPA undertaking a site visit to the Paulsens East mine site (once operational), to complete PPA's product approval process.²

Stage 2 Production and Export Through Port of Ashburton, Onslow

Stage 2 production will focus on a ramp up in annual throughput through conventional open pit mining of the ridge of iron ore to an annualised production rate of 2Mtpa with a scale up in the contracted mining fleet, expansion of mine site personnel and additional working capital requirements to facilitate the larger annualised production rate.

Stage 2 involves the export of ore through the Port of Ashburton at Onslow (via transshipment operations) which reduces the trucking distance from mine to Port by ~365km.

Port of Ashburton

The Port of Ashburton (refer Figure 2) is a common user facility initially constructed for the Wheatstone Project and was recently transferred by Chevron to the control of the PPA.

The Port of Ashburton is located ~12km southwest from the town of Onslow and is ~235km from Paulsens East.

PPA has confirmed the use of the Port of Ashburton for export of iron ore by Strike subject to environmental permitting requirements and Port operation approvals being obtained by Strike.

After consultation with the PPA, a Works Approval Application was lodged with the Department of Water and Environmental Regulation (DWER) on 14 October 2021 seeking approvals (pursuant to environmental legislation and regulations) for proposed operations at the Port of Ashburton.

Strike plans to finalise port operational requirements and logistics with the PPA during the DWER Works Approval review period (which is currently proceeding in the normal course), with the utilisation of the Port of Ashburton to be subject to normal commercial terms offered by the PPA for the use of Port facilities.

1 Refer Strike's ASX Announcement dated 13 September 2021: Paulsens East Iron Ore Mining Operation Optimised

2 Refer Strike's ASX Announcement dated 28 October 2021: Export Allocation Received for Paulsens East



Figure 2: Port of Ashburton - Onslow

Loading of ore will be through transshipment operations with Strike having selected a preferred operator. Strike is currently finalising the terms of a transshipping contract with its preferred transshipment operator.

Strike has also lodged Miscellaneous Licence and General Purpose Lease applications for an area close to the Port of Ashburton to be used as a staging area for iron ore stockpiles prior to ship loading at the Port of Ashburton.

Regulatory Approvals and Access Agreements

Strike has secured key tenements, regulatory approvals and access agreements for the development of Paulsens East:

- Grant of a Mining Lease (M47/1583) for an initial term of 21 years³;
- Native Title Mining Agreement with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**) - the PKKPAC holds native title on trust for the benefit of the Puutu Kuntj Kurrama and Pinikura People (**PKKP**) Traditional Owners⁴; the agreement provides an agreed framework for Strike to undertake its mining activities at Paulsens East in a way that minimises any impacts on Aboriginal Cultural Heritage; there is a strong focus on protection of Aboriginal heritage, including effective safeguards for the care and protection of the lands and rights of the PKKP peoples;
- Access Agreements with Pastoral Lease and Mining Tenement stakeholders⁵;
- Grant of various Miscellaneous Mining Licences to facilitate and support mining operations;
- Mining Proposal (pertaining to approval to undertake mining operations on M47/1583 pursuant to mining legislation and regulations) from the WA Department of Mines, Industry Regulation and Safety (**DMIRS**)⁶;
- Project Management Plan (pertaining to approval of mine site occupational health and safety management systems, pursuant to mines safety legislation) from DMIRS⁷.

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

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

5 Refer Strike's ASX Announcement dated 28 June 2021: Contractors Selected and Access Agreements Secured for Paulsens East

6 Refer Strike's ASX Announcement dated 2 August 2021: Mining Proposal Approved for Paulsens East Iron Ore Mine

7 Refer Strike's ASX Announcement dated 15 April 2021: DMIRS Approval of Project Management Plan for Paulsens East Iron Ore Mine

- Works Approval (pertaining to compliance with environmental legislation and regulations) from the WA Department of Water and Environmental Regulation (DWER);
- Native Vegetation Clearance Permits (pertaining to approvals pursuant to (including Commonwealth) environmental legislation and regulations) from DMIRS (under delegation by DWER); and
- Water licence and approval of water bores from DWER, to support the extraction and usage of water for mining operations.

All key mining approvals and permits required to commence Stage 1 mining have been received; permitting (with DMIRS and DWER) is currently in progress for Stage 2 Port of Ashburton environmental and associated road and other approvals which are expected to be completed prior to the completion of Stage 1 mining operations.

Offtake and Project Financing

Strike has engaged with a range of potential customers and off-take partners, including Chinese steel mills, global established iron ore traders and a number of other marketing groups.⁸

In addition to negotiating optimal pricing formulae and payment terms for its products, Strike has held discussions with a number of the above parties regarding the potential to contribute project financing facilities and/or pre-payments for iron ore shipments.

Strike has determined to execute binding off-take and accompanying pre-payment and/or working capital finance facility at the time it makes a FID with respect to the Project.

Final Investment Decision

A final investment decision (FID) on Paulsens East is pending Board of Strike forming a position on forward iron ore prices that are sufficient to meet the Company's investment hurdles and risk adjusted returns with ancillary matters being the finalisation of contracts with key contractors and service providers and the finalisation of the structure and terms for iron ore offtake and project financing.

Apurimac Iron Ore Project (Peru)

(Strike – 100%)

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.

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.8% Fe and 127 Mt Inferred Resource at 56.7% Fe)⁹. 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.

Mining Operations at Apurimac

Strike has been mining high-grade surface deposits of DSO material from Apurimac via the process of engagement of local miners who are permitted, under Peruvian mining legislation, to mine up to 350 tonnes per day (or ~125,000 tonnes per annum) of iron ore from specific portions of a mining concession. Strike has engaged local trucking operators to transport DSO from the mine site to third-party crushing plants, where crushed DSO have also been stockpiled prior to transport into port for ship loading.

Offtake Agreement

Strike has executed an Offtake Agreement (for up to 300,000 tonnes per annum over a 2 year term) with Good Importing International Pty Limited (**GII**), an international iron ore trading company currently involved in iron ore offtake into China from various countries including Australia, Russia and South Africa; GII have also previously been involved as an offtake partner for a number of Australian iron ore producers including Mt Gibson Iron, Karara Mining, Pluton Resources and Shree Minerals.¹⁰

⁸ Refer Strike's ASX Announcement dated 16 November 2020: Paulsens East Iron Ore – Marketing Update

⁹ Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

¹⁰ Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

The terms of the agreement include market reflective pricing referenced to relevant S&P Global Platts pricing indices and market-typical lump premium and impurity penalties, on a Cost and Freight (CFR) basis for delivery into China.

The Offtake Agreement incorporates a prepayment facility which Strike used to fund its maiden shipment completed in August 2021. These funds were offset against the proceeds of sale in respect of the first shipment.

Maiden Iron Ore Shipment to China

In 18 August 2021, Strike undertook its maiden export shipment of 35,000 tonnes of Apurimac Premium Lump DSO to China on MV Federal Nakagawa. MV Federal Nakagawa has discharged its cargo at Port in China to a Steel Mill customer and Strike has received payment in full. The shipment was organised under the terms of Strike's Offtake Agreement with GII.¹¹

Independent analysis taken during loading of its first shipment of ore from Peru confirmed the exceptionally high-grade nature and quality of the Apurimac Premium Lump iron ore, with average specifications across the 35,000 tonne shipment as follows (refer Table 1):

| Apurimac Premium Lump | % |
|---|-------|
| Iron (Fe) | 65.99 |
| Silica (SiO ₂) | 2.76 |
| Alumina (Al ₂ O ₃) | 0.65 |
| Phosphorus (P) | 0.059 |
| Sulphur (S) | 0.09 |
| Moisture | 1.06 |

Table 1: Apurimac Premium Lump DSO – First Shipment Analysis

Strike notes that the Offtake Agreement with GII is on a CFR basis (where Strike bears the cost of shipment). As such, Strike is exposed to the volatility associated with the cost of chartering of ships and also to Port congestion issues throughout the world. Port congestion in China is particularly significant as demurrage costs apply whilst ships are awaiting berthing to discharge their cargo. Accordingly, subsequent shipments to China will be subject to negotiation of an acceptable price with GII and securing a ship charter on terms acceptable to Strike.

Industrial Trial Shipment to Chile

During October 2021, the Company completed a second shipment of 15,000 tonnes of Apurimac Premium Lump DSO to a South American steel mill (Buyer).¹²

Independent analysis taken during loading of this second shipment of ore from Peru confirmed the continued exceptionally high-grade nature and quality of the Apurimac Premium Lump iron ore, with average specifications across the 15,000 tonne shipment as follows (refer Table 2):

| Apurimac Premium Lump | % |
|---|-------|
| Iron (Fe) | 65.28 |
| Silica (SiO ₂) | 1.64 |
| Alumina (Al ₂ O ₃) | 0.86 |
| Phosphorus (P) | 0.052 |
| Sulphur (S) | 0.09 |
| Moisture | 0.62 |

Table 2: Apurimac Premium Lump DSO – Second Shipment Analysis

The shipment is being used by the Buyer as an industrial trial for their steel manufacturing facility where the Buyer has a requirement for long term, regular supplies of ore which could be potentially met by Strike from its Apurimac Project, if the trial is successful. The Buyer's discharge port is located approximately 6 days voyage from the loading port in Peru, which affords considerable saving in shipping costs compared to China (approximately 32 days voyage).

¹¹ Refer Strike's ASX Announcement dated 19 August 2021: Maiden Iron Ore Shipment from Peru

¹² Refer Strike's ASX Announcement dated 29 October 2021: Second Iron Ore Shipment from Peru Completed

The shipment was made on an FOB basis with a competitive market price calculated by reference to the high grade nature of the Apurimac Lump DSO ore, attracting a premium for the grade and lump composition the ore.

Strike is in ongoing discussions with the Buyer with regard to securing a long-term offtake agreement.

Andahuaylas Railway Development

In August 2021, the Peruvian Prime Minister, Guido Bellido, in a presentation to the Peruvian Congress, confirmed the Peru Government's plans (under a public-private partnership scheme) to build a railway linking among others, Strike's Apurimac Project to the port of San Juan de Marcona (**Railway Project**).¹³ Local press in Peru also reported that the Minister of Energy and Mines, Iván Merino, said that the Railway Project could be started as early as 2023 and a first section could be inaugurated by President Pedro Castillo by the end of his term in July 2026.¹⁴

Feasibility Studies

Strike completed a Pre-Feasibility Study on the Apurimac Project in 2008¹⁵ (subsequently updated in 2010¹⁶), which indicated the 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 as the preferred transport solution (under the study). 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 with the purpose to further compare the economics of a 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.

Ausenco has recently undertaken (at a high level) a review of the 2008 and 2010 studies and gap and trade-off analyses to identify opportunities to reduce project capex and increase project execution security, taking into account current cost estimates, technology advancements (since 2010) and current/expected market conditions.

Strike is considering the outcomes of such review and gap and trade-off analyses and whether to undertake the next stage of works (proposed by Ausenco) to examine in more detail the updated capital and operating costs associated with a 15 - 20 million tonne per annum production profile of a concentrate product using a slurry pipeline for transport to port. The Company believes that this work may be an important step in advancing this globally significant project, in particular given the widely reported intent of Chinese steel mills to secure long term strategic sources of high-grade iron ore from countries other than Australia and Brazil.

This commencement of this further study will involve the allocation of a significant amount of Strike's available working capital and accordingly the commencement of such study will be a function of the competing capital requirements of the Company including the potential commencement of iron ore production from one or more of Strike's iron ore projects and the required capital for the same. At present it is not anticipated that such study will be commenced until at least the second quarter of 2022.

13 Refer also Strike's ASX Announcements dated:

- 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port
- 24 October 2018: Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port
- 18 April 2019: Strike Enters into Cooperation Agreement with Peru Railway Consortium
- 5 December 2019: Railway Project Gathers Momentum in Peru – Positive Outlook for Strike's Apurimac Iron Ore Project
- 31 August 2021: Peruvian PM Confirms Railway Connecting Apurimac to Port

14 Refer Strike's ASX Announcement dated 31 August 2021: Peruvian PM Confirms Railway Connecting Apurimac to Port

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

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

CORPORATE

Summary of Expenditure Incurred

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

| For Current Quarter ending 31 December 2021 | Consolidated Entity Cash Outflows | | |
|---|-----------------------------------|---------------------|-----------------|
| | Operating \$'000 | Investing \$'000 | Total \$'000 |
| Exploration and evaluation expenditure | - | 537 | 537 |
| Production | 2,171 | - | 2,171 |
| Personnel expenses | 245 | - | 245 |
| Occupancy expenses | 97 | - | 97 |
| Corporate expenses | 59 | - | 59 |
| Administration expenses | 108 | - | 108 |
| Total Expenditure | 2,680 | 537 | 3,217 |

Payments to Related Parties

During the quarter, Strike paid a total of \$214K in respect of Directors' remuneration, comprising salaries, fees, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

LIST OF MINERAL CONCESSIONS

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

Paulsens East Iron Ore Project (Western Australia)

(Strike – 100%)

| Tenement Type and No. | Grant Date | Expiry Date | Area (Ha) | Area (km ²) |
|------------------------|------------|-------------|-----------|-------------------------|
| Mining Lease M 47/1583 | 4/9/2020 | 3/9/2041 | 381.87 | ~3.82 |
| Misc. Licence L 47/927 | 12/11/2020 | 11/11/2041 | 78.74 | ~0.79 |
| Misc. Licence L 47/938 | 10/12/2020 | 9/12/2041 | 95.97 | ~0.96 |
| Misc. Licence L 08/195 | 7/1/2021 | 6/1/2042 | 22.44 | ~0.22 |
| Misc. Licence L 08/190 | 15/7/2021 | 14/7/2024 | 199.60 | ~2 |
| Misc. Licence L 47/934 | 15/7/2021 | 14/7/2024 | 357.09 | ~3.57 |
| Misc. Licence L 47/980 | 15/7/2021 | 14/7/2024 | 62.60 | ~0.63 |
| Misc. Licence L 47/981 | 16/7/2021 | 15/7/2024 | 465.04 | ~46.5 |

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 |
| 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 |
| Wanka 01 | 100 | Andahuaylas | 010208110 | RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010 | 11102187 |

JORC MINERAL RESOURCES

Paulsens East Iron Ore Project (Australia)

(Strike – 100%)

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

| Mineral Resources Category | Fe% Cut-Off Grade | Million Tonnes | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | S% | LOI% |
|----------------------------|-------------------|----------------|------|--------------------|----------------------------------|------|------|------|
| Indicated | >58 | 9.6 | 61.1 | 6.0 | 3.6 | 0.08 | 0.01 | 2.1 |

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

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

| Ore Reserves Category | Fe% Cut-Off Grade | Million Tonnes | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% |
|-----------------------|-------------------|----------------|------|--------------------|----------------------------------|-------|
| Probable | >55 | 6.2 | 59.9 | 7.43 | 3.77 | 0.086 |

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

Apurimac Iron Ore Project (Peru)

(Strike – 100%)

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

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

| Category | Concession | Density t/m ³ | Mt | Fe% | SiO ₂ % | Al 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 |

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

JORC CODE COMPETENT PERSON'S STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

FORWARD LOOKING STATEMENTS

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

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of their experience and their 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.

Appendix 5B

Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity

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

ABN

94 088 488 724

Quarter Ended (current quarter)

31 December 2021

| Consolidated statement of cash flows | Current Quarter Dec-2021 \$A' 000 | Year to Date 6 months \$A' 000 |
|---|--|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 2,877 | 9,597 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production | (2,171) | (9,967) |
| (d) staff costs | (245) | (491) |
| (e) administration and corporate costs | (264) | (401) |
| 1.3 Dividends received (see note 3) | 5 | 5 |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other | (35) | (35) |
| 1.9 Net cash from / (used in) operating activities | 167 | (1,292) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | (537) | (1,466) |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | Current Quarter Dec-2021 \$A' 000 | Year to Date 6 months \$A' 000 |
|---|--|---|
| 2.2 Proceeds from the disposal of: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | 253 | 253 |
| (e) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other | - | - |
| 2.6 Net cash from / (used in) investing activities | (284) | (1,213) |
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other: | | |
| Prepayments received - Offtake and Financing Agreement (Peru) | - | 8,011 |
| Reversal of prepayments against recognition of Receipts (item 1.1) | (1,209) | (9,439) |
| 3.10 Net cash from / (used in) financing activities | (1,209) | (1,428) |
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 3,802 | 6,436 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | 167 | (1,292) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (284) | (1,213) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | (1,209) | (1,428) |
| 4.5 Effect of movement in exchange rates on cash held | (4) | (31) |
| 4.6 Cash and cash equivalents at end of period | 2,472 | 2,472 |

| 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 | 2,352 | 3,657 |
| 5.2 Call deposits | 120 | 145 |
| 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) | 2,472 | 3,802 |

| 6. Payments to related parties of the entity and their associates | Current Quarter \$A' 000 |
|---|---|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | (214) |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

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

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

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

Nil

| 8. Estimated cash available for future operating activities | \$A' 000 |
|--|-------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | 167 |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (537) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (370) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 2,472 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 2,472 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 6.68 |

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

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

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

Not applicable

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

Not applicable

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

Not applicable

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.

Authorised By:



William Johnson
Managing Director

31 January 2022

See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. The **Company** currently holds the following listed share investments:

| ASX code | Company | 31-Dec-21 | | |
|----------|------------------------|------------|----------------|--------------|
| | | No Shares | Last Bid Price | Market Value |
| LEL | Lithium Energy Limited | 34,410,000 | \$0.920 | \$31,657,200 |

The above share investment is under escrow until 19 May 2023.

2. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
3. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
5. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
6. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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