



HALF YEAR REPORT

31 December 2019

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2019 ANNUAL REPORT OF THE COMPANY
LODGED ON 30 OCTOBER 2019



ASX Code: SRK

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CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

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DIRECTORS' REPORT

The Directors present their report on Strike Resources Limited ABN 94 088 488 724 (**Company** or **SRK**) and its controlled entities (the **Consolidated Entity** or **Strike**) for the financial half year ended 31 December 2019 (**Balance Date**).

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

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

OPERATING RESULTS

	December 2019	December 2018
Consolidated	\$	\$
Total revenue	13,595	175,979
Total expenses	(812,600)	(857,629)
Loss before tax	(799,005)	(681,650)
Income tax expense	-	-
Loss after tax	(799,005)	(681,650)

CASH FLOWS

	December 2019	December 2018
Consolidated	\$	\$
Net cash flow from operating activities	(986,597)	(439,174)
Net cash flow from investing activities	872,146	(398,694)
Net cash flow from financing activities	922,139	-
Net change in cash held	807,688	(837,868)
Cash held at half year end	2,038,833	1,528,346

FINANCIAL POSITION

	December 2019	June 2019
Consolidated	\$	\$
Cash	2,038,833	1,289,411
Financial assets at fair value through profit or loss*	574,316	1,340,686
Exploration and evaluation expenditure	576,570	348,956
Receivables	21,110	166,391
Other assets	19,829	7,502
Liabilities	(121,985)	(117,992)
Net assets	3,108,673	3,034,954
Issued capital	149,362,064	148,439,925
Reserves	15,024,686	15,074,101
Accumulated losses	(161,278,077)	(160,479,072)
Total equity	3,108,673	3,034,954

* Strike has invested excess cash in a portfolio of ASX 200 listed resource stocks pursuant to a capital management strategy.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Paulsens-East Iron Ore Project (Western Australia)

The Paulsens East Iron Ore Project is located approximately 140 kilometres west of Tom Price, 8 kilometres from the Paulsens Gold Mine, ~233 kilometres by road (of which ~210 kilometres is good quality paved road) from the Port of Onslow and ~560 kilometres by road from Port Hedland (refer Figure 1).

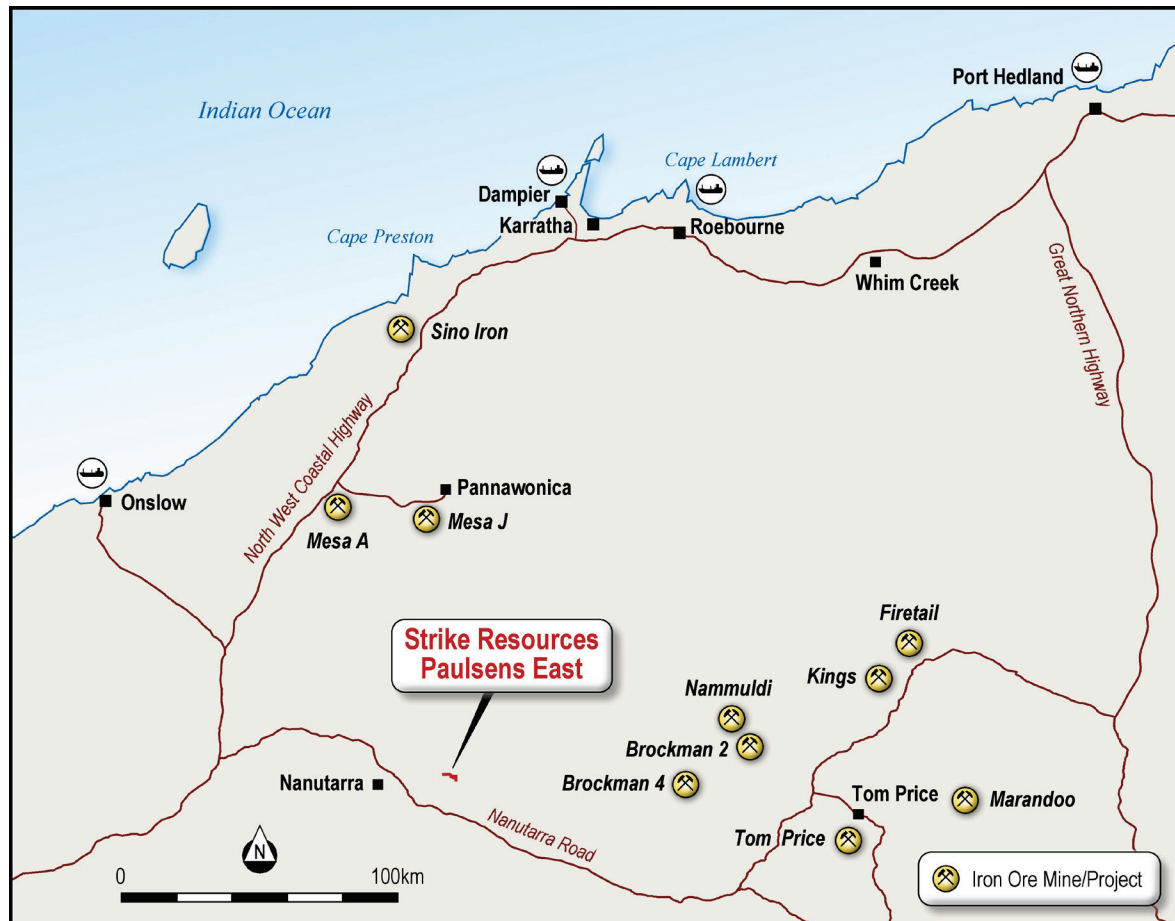


Figure 1: Paulsens East Project Location, West Pilbara.

Paulsens East consists of hematite iron ore mineralisation occurring as a ridge rising to approximately 60 metres above the valley floor and extending for approximately 3,000 metres West to East (refer Figures 2 and 3).

With an increase in iron ore prices, in June 2019, Strike recommenced previous work (conducted between 2006 – 2008) to examine the potential for undertaking a Direct Shipping Ore (DSO) mining operation using contract mining, crushing and transportation by truck to port then ship to China.¹

¹ Refer Strike's ASX Announcement dated 19 June 2019: Strike's Iron Ore Assets

DIRECTORS' REPORT



Figure 2: Paulsens East Hematite Ridge, facing North

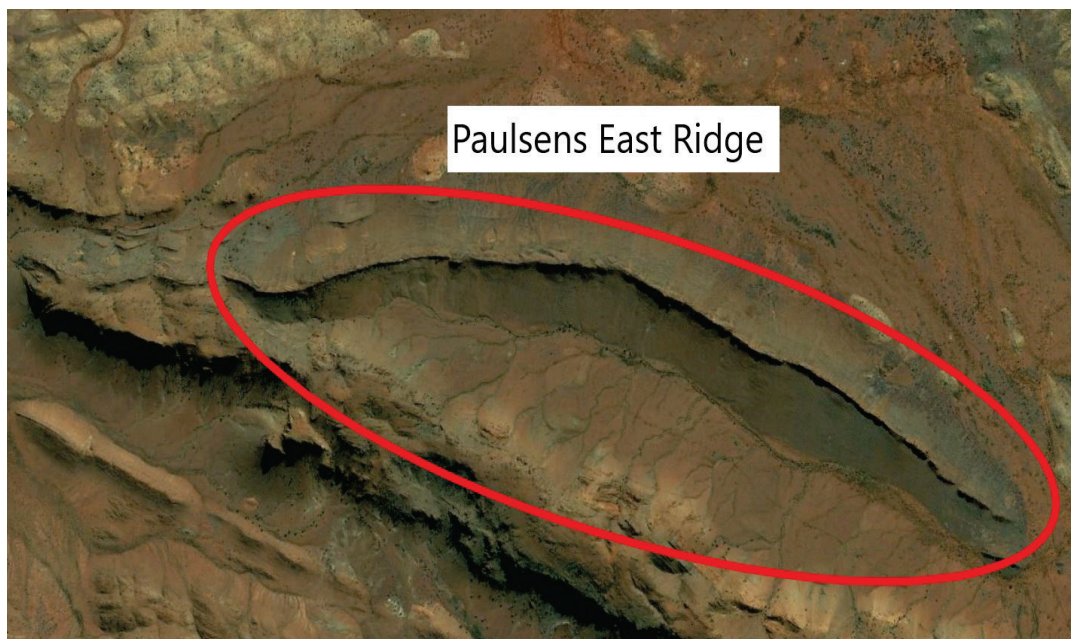


Figure 3: Paulsens East satellite image

On 18 July 2019, Strike reported a significant Maiden JORC Inferred Mineral Resource for Paulsens East of **9.1 Million tonnes at 63.4 % Fe, 5.6% SiO₂ and 3.2% Al₂O₃**.² The Inferred Mineral Resource estimate was 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 an extensive rock chip sampling programme.

² Refer Strike's ASX Announcement dated 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe - Paulsens East Iron Ore Project in the Pilbara

DIRECTORS' REPORT

On 4 September 2019, Strike 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**.³ This upgrade was as a result of a programme of surveying and sampling, which was undertaken to increase the confidence in the iron ore mineralisation and to enable a detailed mine plan and economic model to be developed.

A key feature of the Paulsens East Mineral Resource is an approximately 3 kilometre-long ridge of outcropping hematite conglomerate which extends up to 60 metres above the surrounding terrain (refer Figures 2 and 3). 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 tenement previously identified by Strike.⁴

On 10 October 2019, Strike reported the results of metallurgical test work undertaken on a bulk composite sample of approximately 250 kilograms collected from various surface locations across the entire length and width of the Paulsens East deposit.⁵ The results were highly encouraging, indicating the potential for a very high lump:fines ratio of 79:21, where the 'lump' material (> 6mm < 30mm in size) has low deleterious elements, low degradation during transport and other positive metallurgical properties. The indicated very high lump:fines ratio is regarded as highly positive for the project as lump material typically attracts a price premium over equivalent 'fines' material of the same grade. The test work also indicates that the lump material is likely to be approximately 2% Fe higher in grade than that of the fines material, which will also potentially attract a further price premium for the lump material.

On 28 November 2019, Strike released the results of a Scoping Study⁶ for a 1.5Mtpa production schedule with a forecast pre-tax net present value (**NPV**) range of between \$81 Million to \$238 Million (**Base Case \$155 Million**) and an estimated operating net cashflow of between \$99 Million to \$289 Million (**Base Case \$189 Million**) over an initial four-year mine life.

Estimated pre-production capital costs are approximately \$12 Million (including a contingency of \$2 Million), with payback expected within four months of production commencement and an internal rate of return (**IRR**) of between 263% to 649% (**Base Case 449%**).

Average C1⁷ cash costs free onboard (**FOB**) across the Life of Mine (**LOM**) are expected to be approximately US\$45 per tonne (A\$66 per tonne), providing a good margin to iron ore price fluctuations.

The forecast Project financial metrics (NPV, IRR and Operating Net Cashflows) are calculated and shown net of applicable royalties but before deductions for tax. Strike will be subject to Australian corporate tax at the rate of 30% on its taxable income. Any tax payable may potentially be reduced by utilising Strike's carried forward tax losses, which currently total ~\$25 Million.

The mineralisation is amenable to simple open cut mining, with a forecast waste to ore ratio of only 1.3:1 during the first year of mining and averaging only 2.5:1 over the first four years.

Strike plans a 1.5 Million tonnes per annum (**Mtpa**) production schedule of direct shipping ore (**DSO**) over a minimum four-year mine life (totalling approximately 6.1 Million tonnes). This initial production target has been determined to facilitate fast track production of low strip-ratio material at first instance, with the opportunity to expand production once the initial production target is met underpinned by the current JORC Indicated Mineral Resource of 9.6 Million tonnes of 61.1% Fe, 6.0% SiO₂, 3.6% Al₂O₃, 0.08% P.

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

4 Refer Strike's ASX Announcements dated 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource and 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project

5 Refer Strike's ASX Announcement dated 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities

6 Refer Strike's ASX Announcement dated 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project - the Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially changed

7 C1 Cost includes mining, processing, haulage, port handling and transshipment and administration, but excludes royalties, shipping, depreciation, capital charges and marketing

DIRECTORS' REPORT

Ore will be crushed and screened to produce DSO Lump and Fines products, with estimated average product grade of 61% Fe over the life of mine. Metallurgical testwork indicates that a 75/25 (or higher) Lump/Fines split can be expected where Lump ore typically attracts a significant price premium compared to Fines.

The Scoping Study was based upon ore being trucked from the mine to Onslow predominantly by sealed road, where it will be stockpiled prior to being loaded directly from the wharf at Beadon Creek for transshipment into ocean going vessels (**OGV's**) for export to customers.

The Scoping Study successfully outlined Strike's preferred mining and processing plans, production rate, capital costs, operating costs and infrastructure requirements to support the Project production plan. It determined that the Project has strong financial and economic merit, whilst being deemed technically low risk. Several parts of the Scoping Study were undertaken to a level beyond what would normally be considered standard for such a study, and indeed are at, or close to Prefeasibility Study (**PFS**) level.

Strike is now advancing the Project to Feasibility Study level, including completion of trade off studies to optimise port location and project logistics and obtaining relevant permits and approvals for the Project.⁸

For further details please refer to Strike's announcements:

- 19 June 2019: Strike's Iron Ore Assets
- 1 August 2019: Strong Progress at the 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
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project
- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities
- 24 October 2019: Strike Strengthens Management Team for Paulsens East Iron Ore Project with Key Appointments
- 19 November 2019: Beadon Creek Onslow Selected as Preferred Port for Paulsens East
- 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource
- 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project
- 12 February 2020: Substantial Progress Towards Development of Paulsens East Iron Ore Project

⁸ Refer Strike's December 2019 Quarterly Report lodged on ASX on 31 January 2020 and ASX Announcement dated 12 February 2020: Substantial Progress Towards Development of Paulsens East Iron Ore Project

DIRECTORS' REPORT

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.⁹

Solaroz comprises 8 exploitation concessions totalling 12,000 hectares located in Jujuy Province in northern Argentina (**Solaroz Concessions**), mostly adjacent to and principally surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE) and TSX-listed Lithium Americas Corporation (TSX:LAC) (refer Figure 4).

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.¹⁰

In July 2019, Strike completed the preparation of an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz.¹¹ 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.

Once the EIA is approved, Strike's planned exploration programme consists of geophysical surveys, followed by a drilling programme to delineate the extent of potential lithium brine, its grade and related hydrological matters (including flow rate testing in the event that sufficient brine is intersected), to identify the potential for commercial development of Solaroz.

The terms of acquisition are also summarised in Note 12(g) (Contingencies - Deferred Payments Relating to Acquisition of Solaroz Lithium Project (Argentina)) of the financial statements.

For further details please refer to Strike's announcements:

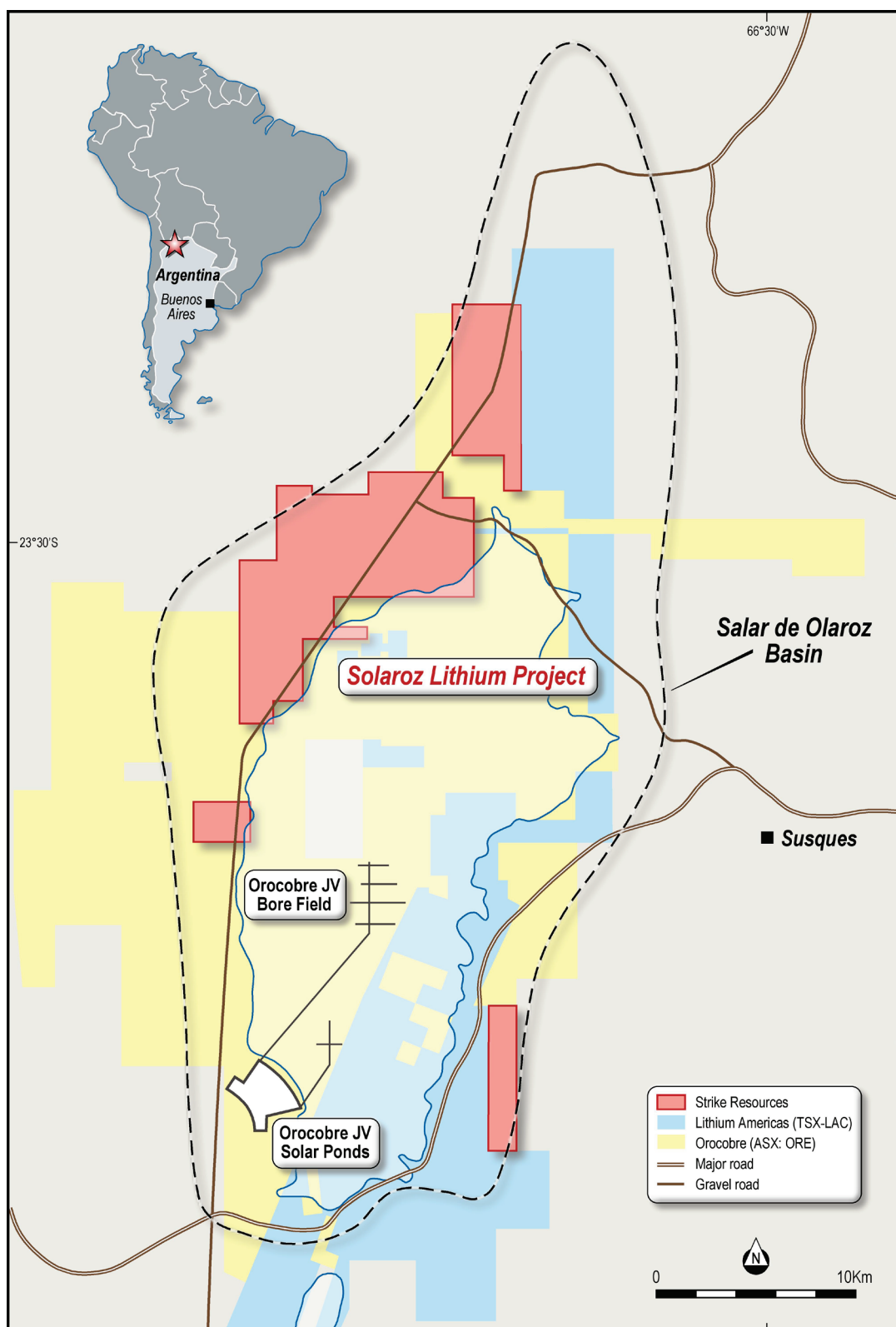
- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle, a copy of which is attached to this Half Year Report.
- 17 April 2019: Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina
- 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina

⁹ Refer Strike's ASX announcement dated 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle

¹⁰ Refer Strike's ASX announcement dated 17 April 2019: Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina

¹¹ Refer Strike's ASX Announcement dated 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina

DIRECTORS' REPORT



Solaroz Lithium Project, Argentina Concession Location Plan



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Figure 4: Solaroz Project – Location of Concessions

DIRECTORS' REPORT

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



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

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.

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).¹²

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 which could be mined from surface and shallow near surface mineralisation.

¹² Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

DIRECTORS' REPORT



Figure 6: Outcropping Iron ore at the Opaban 1 ore body (with Andahuaylas Airport in background)

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 2008¹³ and updated in 2010¹⁴ 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.

¹³ Refer Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru

¹⁴ Refer Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report

DIRECTORS' REPORT

In early 2018, the Peru Government signalled its intention to undertake a formal study to build a multi-user railway from the inland city of Andahuaylas in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**).¹⁵

In October 2018, the Ministry of Transport and Communications in Peru (**MOTC**) awarded a A\$13 million tender to an international consortium of engineering companies to study the feasibility of constructing the Andahuaylas Railway.¹⁶

Strike's Apurimac Project is located only 20km from the city of Andahuaylas. The proposed Andahuaylas Railway (approximately 570km in length) would provide a direct link from the Apurimac Project to an established mineral export port, significantly improving development options for Apurimac, which would be one of the biggest users of the railway. A railway would also 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.

The Andahuaylas Railway route proposed by the MOTC (refer Figure 5) almost exactly mirrors the railway route considered by Strike in its own Pre-Feasibility Studies on Apurimac (referred to above).

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.

In April 2019, Strike executed a Cooperation and Confidentiality Agreement¹⁷ with Consorcio Ferrocarril Del Sur (**Southern Railway Consortium**), the consortium of international engineering companies undertaking the Peru Government funded Andahuaylas Railway study. Given the scale of economic and social benefits which the Andahuaylas Railway will bring to the Apurimac Region (and Peru as a country), Strike has agreed to share its own railway study with the Southern Railway Consortium, provide input and advice and otherwise cooperate with the consortium in whatever way it can to expedite the completion of its feasibility study.

In August 2019, the Managing Director attended a review meeting in Peru with representatives from the Southern Railway Consortium and other major mining companies operating in or close to the Apurimac region. At this meeting it was confirmed that the consortium had selected the preferred route for the Andahuaylas 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 at Apurimac (refer Figure 6).

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.

15 Refer Strike's ASX Announcement dated 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port

16 Refer Strike's ASX Announcement dated 24 October 2018: Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port

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

DIRECTORS' REPORT

There are a number of large mining companies which hold projects in the vicinity of Strike's Apurimac Project which would also benefit considerably from the Andahuaylas Railway – indeed, it is the existence of these projects together with Strike's (with the Apurimac Project likely be the biggest user of the railway) that is primarily driving the Andahuaylas Railway initiative, which is seen to offer an unparalleled opportunity for Peru to unlock the substantial value of minerals located in this inland region.¹⁸

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. The mined 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.

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.

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 half year, Strike has successfully worked with a group of local artisanal miners to accumulate stockpiles of high-grade, low impurity potentially DSO material.

Strike is currently reviewing various options to crush and screen the stockpiled material, transport it from Andahuaylas to a suitable port for shipment to potential customers in China.

¹⁸ Refer Strike's ASX Announcement dated 5 December 2019: Railway Project Gathers Momentum in Peru – Positive Outlook for Strike's Apurimac Iron Ore Project

DIRECTORS' REPORT

Burke Graphite Project (Queensland)

Strike's Burke Graphite Project¹⁹ (in which Strike holds a ~70% interest²⁰) 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).

In November 2017, Strike defined a maiden Inferred Mineral Resource estimate for the Burke Project with the grades placing the Burke deposit as one of the highest-grade deposits of graphite in the world held by an Australian listed company.²¹

- **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.

In June 2018, Strike announced the completion of a ground Electro Magnetic (**EM**) survey covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017²²) and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443), which 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.²³

For further technical details about the Burke Graphite Projects, refer to Strike's ASX announcements dated:

- 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland;
- 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project;
- 21 June 2017: Further High-Grade Intersection Encountered at Burke Graphite Project;
- 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production;
- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits;
- 22 January 2018: Burke Graphite Project - Update;
- 26 June 2018: Burke Graphite Project – New Target Area Identified From Ground Electro-Magnetic Surveys.

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

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

21 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)

22 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

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

DIRECTORS' REPORT

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2019.

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, being the maximum available under the Company's 15% placement capacity under the ASX Listing Rules.

The funds raised from the placement (after paying expenses of the issue) were applied towards the costs of advancement of exploration, evaluation and development of the Company's Paulsens East Iron Ore Project and other resource projects and for general working capital purposes.

This issue was ratified and approved by shareholders at a general meeting²⁴ held on 6 September 2019²⁵, thus refreshing the Company's 15% placement capacity under the ASX Listing Rules.

SECURITIES ON ISSUE

The Company has 167,134,268 fully paid ordinary shares on issue (30 June 2019 and 31 December 2018: 145,334,268). All such shares are listed on ASX. The Company has no other securities on issue.

BOARD OF DIRECTORS

Farooq Khan	Chairman
<i>Appointed</i>	18 December 2015; Director since 1 October 2015
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Special responsibilities</i>	Member of the Audit Committee Member of the Remuneration and Nomination Committee
<i>Relevant Interests in securities</i>	530,010 Shares (directly)
<i>Other current directorships in listed entities</i>	Executive Chairman of: Orion Equities Limited (ASX:OEQ) (since October 2006) Bentley Capital Limited (ASX:BEL) (Director since December 2003) Executive Chairman and Managing Director of: Queste Communications Ltd (ASX:QUE) (since March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	Alternate Director of Keybridge Capital Limited (ASX:KBC) (26 June to 18 July 2019)

24 Refer Strike's ASX Announcement dated 5 August 2019: Notice of General Meeting and Explanatory Statement

25 Refer Strike's ASX Announcement dated 6 September 2019: Results of General Meeting

DIRECTORS' REPORT

William Johnson	
Managing Director	
<i>Appointed</i>	25 March 2013; Director since July 2006
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.
<i>Special responsibilities</i>	None
<i>Relevant Interests in securities</i>	349,273 shares (directly)
<i>Other current directorships in listed entities</i>	Executive Director of: Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009) Non-Executive Director of: Keybridge Capital Limited (ASX:KBC) (since 29 July 2016) Molopo Energy Limited (ASX:MPO) (since 31 May 2018)
<i>Former directorships in other listed entities in past 3 years</i>	Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)
Malcolm Richmond	
Non-Executive Director	
<i>Appointed</i>	Director since 25 October 2006; previously Chairman (3 February 2011 to 18 December 2015)
<i>Qualifications</i>	BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (<i>New South Wales</i>)
<i>Experience</i>	Mr Richmond has 30 years' experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Mr Richmond has also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. He is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. Mr Richmond served as Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia until January 2012 and is a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
<i>Special responsibilities</i>	Chairman of the Audit Committee Member of the Remuneration and Nomination Committee
<i>Relevant Interests in securities</i>	Nil
<i>Other current directorships in listed entities</i>	Non-Executive Director of: Argonaut Resources NL (ASX:ARE) (since 14 March 2012)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

DIRECTORS' REPORT

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

Victor Ho	Executive Director and Company Secretary
<i>Appointed</i>	Director since 24 January 2014; Company Secretary since 30 September 2015
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 20 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Special responsibilities</i>	Secretary of Audit Committee and Remuneration and Nomination Committee
<i>Relevant Interests in securities</i>	Nil
<i>Other current directorships in listed entities</i>	Executive Director (also Company Secretary) of: Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) Company Secretary of: Bentley Capital Limited (ASX:BEL) (since 5 February 2004)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019)

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 18. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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

A stylized, handwritten signature in black ink, appearing to read 'W. Johnson'.

William Johnson
Managing Director

13 March 2020

A stylized, handwritten signature in black ink, appearing to read 'Victor Ho'.

Victor Ho
Executive Director and Company Secretary



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005

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Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Strike Resources Limited
Level 2 31 Ventnor Ave
West Perth WA 6005

Dear Directors

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2019 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan FCA (Lead auditor)

Rothsay Auditing

Dated 13th March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2019

	Note	31 Dec 19	31 Dec 18
REVENUE		\$	\$
Interest revenue	2	8,258	21,299
Other			
Dividend revenue		5,337	40,797
Other income		-	113,883
TOTAL REVENUE AND INCOME		13,595	175,979
EXPENSES	3		
Exploration and evaluation expenses		(174,892)	(99,826)
Net loss on financial assets at fair value through profit or loss		(39,988)	(244,053)
Personnel expenses		(261,627)	(263,625)
Corporate expenses		(173,614)	(174,822)
Occupancy expenses		(61,424)	(27,961)
Finance expenses		(1,807)	(2,255)
Foreign exchange loss		(8,852)	4,811
Administration expenses		(90,396)	(49,898)
LOSS BEFORE INCOME TAX		(799,005)	(681,650)
Income tax expense		-	-
LOSS FOR THE HALF YEAR		(799,005)	(681,650)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		(49,415)	108,717
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		(848,420)	(572,933)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	5	(0.55)	(0.39)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	31 Dec 19 \$	30 Jun 19 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,038,833	1,289,411
Financial assets at fair value through profit or loss	7	574,316	1,340,686
Receivables		21,110	166,391
Other current assets		14,583	4,000
TOTAL CURRENT ASSETS		2,648,842	2,800,488
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	9	576,570	348,956
Property, plant and equipment		5,246	3,502
TOTAL NON-CURRENT ASSETS		581,816	352,458
TOTAL ASSETS		3,230,658	3,152,946
CURRENT LIABILITIES			
Payables		110,852	112,307
Provisions		11,133	5,685
TOTAL CURRENT LIABILITIES		121,985	117,992
TOTAL LIABILITIES		121,985	117,992
NET ASSETS		3,108,673	3,034,954
EQUITY			
Issued capital	10	149,362,064	148,439,925
Reserves		15,024,686	15,074,101
Accumulated losses		(161,278,077)	(160,479,072)
TOTAL EQUITY		3,108,673	3,034,954

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2019

	Issued capital	Currency translation reserve	Share-based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
BALANCE AT 1 JUL 2018	148,439,925	1,763,731	13,233,026	(158,603,979)	4,832,703
Loss for the half year	-	-	-	(681,650)	(681,650)
Other comprehensive income	-	108,717	-	-	108,717
Total comprehensive loss for the half year	-	108,717	-	(681,650)	(572,933)
BALANCE AT 31 DEC 2018	148,439,925	1,872,448	13,233,026	(159,285,629)	4,259,770
BALANCE AT 1 JUL 2019	148,439,925	1,841,075	13,233,026	(160,479,072)	3,034,954
Loss for the half year	-	-	-	(799,005)	(799,005)
Other comprehensive income	-	(49,415)	-	-	(49,415)
Total comprehensive loss for the half year	-	(49,415)	-	(799,005)	(848,420)
Transactions with owners in their capacity as owners:					
Issue of shares 10	981,000	-	-	-	981,000
Cost of issued shares 10	(58,861)	-	-	-	(58,861)
BALANCE AT 31 DEC 2019	149,362,064	1,791,660	13,233,026	(161,278,077)	3,108,673

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2019

		31 Dec 19	31 Dec 18
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(594,120)	(387,186)
Payments for exploration and evaluation		(392,477)	(51,988)
NET CASH USED IN OPERATING ACTIVITIES		(986,597)	(439,174)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		8,258	21,299
Dividends received		5,337	40,797
Payment for share investments		(144,110)	(1,811,750)
Proceeds from realisation of share investments		1,005,744	1,352,344
Payment for purchases of plant and equipment		(3,083)	(1,384)
NET CASH USED IN INVESTING ACTIVITIES		872,146	(398,694)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	10	981,000	-
Cost of issuing shares		(58,861)	-
NET CASH USED IN FINANCING ACTIVITIES		922,139	-
NET DECREASE IN CASH HELD		807,688	(837,868)
Cash and cash equivalents at beginning of financial year		1,289,411	2,361,403
Effect of exchange rate changes on cash held		(58,266)	4,811
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR	6	2,038,833	1,528,346

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2019 to the date of this report. The half-year report complies with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.

Basis of Preparation

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

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2019.

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current reporting period

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

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

- AASB 16 Leases
- AASB 2017-6 Amendments to Australian Accounting Standards — Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards — Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards — Annual Improvements Cycle 2015-2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards — Plan Amendment, Curtailment or Settlement [AASB 119]
- AASB 2018-3 Amendments to Australian Accounting Standards — Reduced Disclosure Requirements
- Interpretation 23 Uncertainty over Income Tax Treatments

Impact on Application

The adoption of the aforementioned standards has not had a quantitatively material impact on the interim financial statements of the Consolidated Entity as at 31 December 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

2. REVENUE

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

Revenue

Interest revenue

31 Dec 19 31 Dec 18
\$ \$

8,258	21,299
8,258	21,299

Other

Dividend revenue

5,337	40,797
-------	--------

Other income

-	113,883
---	---------

13,595	175,979
--------	---------

3. EXPENSES

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

Net loss on financial assets at fair value through profit or loss

39,988	244,053
--------	---------

Exploration and evaluation expenses

Impairment loss

170,919	-
---------	---

Other exploration and evaluation expenses

3,973	99,826
-------	--------

Personnel expenses

Salaries, fees and employee benefits

261,627	263,625
---------	---------

Occupancy expenses

61,424	27,961
--------	--------

Finance expenses

1,807	2,255
-------	-------

Corporate expenses

Professional fees

8,964	66,848
-------	--------

ASX fees

32,138	26,324
--------	--------

Accounting, taxation and related administration

118,303	71,008
---------	--------

Audit

4,000	4,000
-------	-------

Share registry

4,231	3,656
-------	-------

Other corporate expenses

5,978	2,986
-------	-------

Foreign exchange (gain)/loss

8,852	(4,811)
-------	---------

Administration expenses

Insurance

9,539	8,897
-------	-------

Travel, accommodation and incidentals

35,876	12,414
--------	--------

Depreciation

1,339	1,324
-------	-------

Other administration expenses

43,642	27,263
--------	--------

812,600	857,629
---------	---------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

4. SEGMENT INFORMATION

	Argentina \$	Peru \$	Australia \$	Total \$
31 Dec 19				
Revenue	-	-	8,258	8,258
Other	-	-	5,337	5,337
Total segment revenues	-	-	13,595	13,595
Net loss on financial assets at fair value through profit or loss	-	-	39,988	39,988
Exploration and evaluation expenses	129,471	1,962	43,459	174,892
Personnel expenses	-	-	261,627	261,627
Corporate expenses	-	55,970	117,644	173,614
Finance expenses	-	372	1,435	1,807
Depreciation expense	-	-	1,339	1,339
Other expenses	-	45,369	113,964	159,333
Total segment loss	(129,471)	(103,673)	(565,861)	(799,005)
Adjusted EBITDA	(129,471)	(103,673)	(567,200)	(800,344)
Total segment assets	326,251	67,544	2,836,863	3,230,658
Total segment liabilities		47,879	74,106	121,985
31 Dec 18				
Revenue	-	-	21,299	21,299
Other	-	-	154,680	154,680
Total segment revenues	-	-	175,979	175,979
Net loss on financial assets at fair value through profit or loss	-	-	244,053	244,053
Exploration and evaluation expenses	-	99,826	-	99,826
Personnel expenses	-	-	263,625	263,625
Corporate expenses	-	48,255	126,567	174,822
Finance expenses	-	1,332	923	2,255
Depreciation expense	-	-	1,324	1,324
Other expenses	-	6,527	65,197	71,724
Total segment loss	-	(155,940)	(525,710)	(681,650)
Adjusted EBITDA	-	(155,940)	(524,387)	(680,327)
30 Jun 18				
Total segment assets	340,389	73,788	2,738,769	3,152,946
Total segment liabilities	-	84,387	33,605	117,992

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

5. LOSS PER SHARE	31 Dec 19	31 Dec 18
	cents	cents
Basic and diluted loss per share	(0.55)	(0.39)

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

Net loss after income tax	(848,420)	(572,933)
	Shares	Shares
Weighted average number of ordinary shares	155,281,263	145,334,268

6. CASH AND CASH EQUIVALENTS	31 Dec 19	30 Jun 19
	\$	\$
Cash at bank	2,013,833	1,264,411
Term deposits	25,000	25,000
	2,038,833	1,289,411

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	31 Dec 19	30 Jun 19
	\$	\$
Listed securities at fair value	574,316	1,340,686

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value				
31 Dec 19	574,316	-	-	574,316
30 Jun 19	1,340,686	-	-	1,340,686

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Valuation techniques

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

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

(b) Fair values of other financial assets and liabilities

	Note	31 Dec 19 \$	30 Jun 19 \$
Cash and cash equivalents	6	2,038,833	1,289,411
Receivables		21,110	166,391
		2,059,943	1,455,802
Payables		(110,852)	(112,307)
		1,949,091	1,343,495

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

9. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 19 \$	30 Jun 19 \$
Opening balance	348,956	581,433
Exploration and evaluation costs	398,533	454,206
Impairment loss	(170,919)	(686,683)
Closing balance	576,570	348,956

10. ISSUED CAPITAL

	31 Dec 19 \$	30 Jun 19 \$
167,134,268 (30 Jun 2019: 145,334,268) fully paid ordinary shares	149,362,064	148,439,925

	Date of issue	Number of shares	Issue price \$
Movement in fully paid ordinary shares			
At 1 Jul 2018			148,439,925
Issue of shares	18-Jul-19	21,800,000	0.045
Cost of share issue			(58,861)
At 31 Dec 2019			149,362,064

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

11. COMMITMENTS

(a) Lease Commitments

On 28 February 2020 the Consolidated Entity entered into a non-cancellable operating lease agreement for (shared) office premises. The lease is for a period of 37 months term expiring on 31 March 2023. The Consolidated Entity may give notice to terminate the lease (without penalty) prior to the second anniversary date. The office accommodation is shared with other companies, who has agreed to share payment of the lease costs (including outgoings).

(b) Mineral Tenements/Concessions - Commitments for Expenditure

(i) Australian Tenements

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

(ii) Peruvian Mineral Concessions

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

12. CONTINGENCIES

(a) Australian Native Title

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

(b) Government Royalties

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

(c) Directors' Deeds

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

(d) Paulsens East Tenement - Royalty

The Consolidated Entity has a liability to pay Orion Equities Limited (ASX:OEQ) a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenement (currently a Retention Licence RL 47/7 pending conversion to a Mining Lease ML 1583) in Western Australia. This royalty entitlement stems from the Consolidated Entity's acquisition of a portfolio of tenements (including the Paulsens East tenement) from Orion in September 2005. For further background details, refer also to Strike's ASX Announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2019

12. CONTINGENCIES (continued)

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

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

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

- (i) **Resource Milestone Payment:** US\$2 million on the delineation of at least 500 Mt of JORC Mineral Resources at an average grade of at least 55% Fe with at least 275 Mt of contained iron having an average grade of at least 52.5% Fe, on the Apurimac Project mineral concessions.
- (ii) **Approvals Milestone Payment:** Up to US\$3 million on AF receiving all formal government environmental and community approvals for the construction and operation of an iron ore mine and required infrastructure with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.
- (iii) **Construction Milestone Payment:** Up to US\$5 million on formal approval of the AF Board to commence construction of an iron ore project or the commencement of bulk earthworks for an iron ore mine or processing plant, in either case with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

The Consolidated Entity has royalty payment obligations as follows:

- (i) 1.5% of the net profits from sales of iron ore mined and iron ore products produced from the Apurimac and Cusco Project mineral concessions.
- (ii) 2% of the proceeds of sales of other metals (on a net smelter return basis) mined from the Apurimac and Cusco Project mineral concessions.

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

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

(f) Legal Disputes Over Peru Mineral Concessions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2019

12. CONTINGENCIES (continued)

(g) Deferred Payments Relating to Acquisition of Solaroz Lithium Project (Argentina)

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

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

Hananta's Payments to the Owner	Cash US\$	Cash or Shares US\$	Total US\$
On execution of the Agreement (paid in April 2019)	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (EIA) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1,000,000	2,190,000
Total	3,840,000	2,750,000	6,590,000

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

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

In light of the above circumstances, the Consolidated Entity regards these future payment obligations as contingencies.

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

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

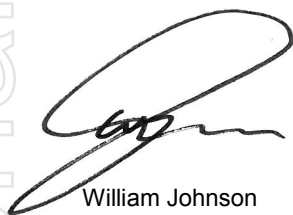
DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the financial half year ended on that date; and
 - (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



William Johnson
Managing Director



Victor Ho
Executive Director and Company Secretary

13 March 2020



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Independent Review Report to the Members of Strike Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Strike Resources Limited for the half-year ended 31 December 2019.

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

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2019 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Strike Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- giving a true and fair view of the consolidated financial position as at 31 December 2019 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Rothsay Auditing

GR Swan

Graham R Swan FCA
Partner

Dated 13th March 2020



LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at 31 December 2019 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	3/9/2024	2 sub-blocks	~6.4
Corella EPM 25696	Granted	2/4/2015	1/4/2020 (pending renewal for 5 years)	11 sub-blocks (6 sub-blocks after pending relinquishment)	~36 (~20 pending)

Pilbara Tenement EL 45/4800 (granted 10 August 2017) was relinquished on or about 30 January 2020.

JORC MINERAL RESOURCES

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at 31 December 2019 and currently:

Apurimac Iron Ore Project (Peru)

(Strike – 100%)

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

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

Category	Concession	Density t/m ³	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Total Indicated and Inferred			269.4	57.3	9.4	2.56	0.04	0.16

The information in this JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 11 February 2010: Peruvian Apurimac Iron Ore Project Resource Increased to 269 Million Tonnes) and has subsequently been upgraded to comply with the 2012 JORC Code and disclosed in Strike's ASX Announcement dated 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard.

Cusco Iron Ore Project (Peru)

(Strike – 100%)

The Cusco Project has a JORC Code (2004 Edition) compliant Mineral Resource:

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.

Paulsens East Iron Ore Project (Australia)

(Strike – 100%)

The Paulsens East Iron Ore Project has a JORC Code (2012 Edition) compliant 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: The Mineral Resource was estimated using a 58% Fe lower cut-off wireframe.

Refer also to Strike's ASX Announcements dated:

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

Burke Graphite Project (Australia)

(Strike – ~70%)

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

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

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

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

JORC CODE COMPETENT PERSONS' STATEMENTS

JORC CODE 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 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
- 1 August 2019: Strong Progress at the Paulsens East Iron Ore Project

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

- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource at Paulsens East

The information in the original announcement that relates to these Other Exploration Results and Exploration Targets (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 Hem Shanker Madan, who is a Member of AusIMM. Mr Madan 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. 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 COMPETENT PERSONS' STATEMENTS

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

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

- 20 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 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 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 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

JORC CODE COMPETENT PERSONS' STATEMENTS

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 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 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".

JORC CODE COMPETENT PERSONS' STATEMENTS

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 its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Strike believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Strike does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

SECURITIES INFORMATION

as at 31 December 2019

Distribution of Fully Paid Ordinary Shares

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	349	142,312	0.085%
1,001	-	5,000	563	1,654,773	0.990%
5,001	-	10,000	258	2,099,430	1.256%
10,001	-	100,000	370	12,786,681	7.651%
100,001	-	and over	120	150,451,072	90.018%
TOTAL			1,660	167,134,268	100.00%

Unmarketable Parcels

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	10,416	1,179	3,988,034	2.386%
10,417	-	over	481	163,146,234	97.614%
TOTAL			1,660	167,134,268	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 10,416 shares or less (being a value of \$500 or less in total), based upon the Company's closing share price of \$0.048 on 31 December 2019.

Substantial Shareholders

Substantial Shareholder	Registered Shareholder	Shares Held	% Voting Power
Bentley Capital Limited ²⁶	Bentley Capital Limited	52,553,493	31.44%
Windfel Properties Limited and Associate ²⁷	HSBC Custody Nominees (Australia) Limited	25,825,000	15.45%
Database Systems Ltd and Ambreen Chaudhri ²⁸	Database Systems Ltd	11,704,063	7.00%
Orion Equities Limited ²⁹	Orion Equities Limited	10,000,000	5.98%
Queste Communications Ltd ³⁰	Orion Equities Limited	10,000,000	5.98%

26 Refer Bentley's ASX announcement dated 22 July 2019: Notice of Change in Interests of Substantial Holder

27 Refer Notice of Change in Interests of Substantial Holder dated 23 July 2019

28 Refer Notice of Change in Interests of Substantial Holder dated 22 July 2019

29 Refer Orion's ASX announcement dated 22 July 2019: Notice of Change in Interests of Substantial Holder

30 Refer Queste's ASX announcement dated 22 July 2019: Notice of Change in Interests of Substantial Holder; Orion is the registered holder of Strike shares and Queste is taken under section 608(3)(b) of the Corporations Act to have a relevant interest in securities in which Orion has a relevant interest by reason of having control of Orion

SECURITIES INFORMATION

as at 31 December 2019

Top Twenty, Ordinary Fully Paid Shareholders

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	31.44
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,570,581	15.90
3	DATABASE SYSTEMS LTD	11,704,063	7.00
4	ORION EQUITIES LIMITED	10,000,000	5.98
5	IRIS SYDNEY HOLDINGS PTY LTD	3,000,000	1.79
6	MR HONGWEI YAO	2,344,515	1.40
7	ACN 139 886 025 PTY LTD	2,260,780	1.35
8	RUBI HOLDINGS PTY LTD	2,222,223	1.33
9	MR JON FAZZALORI	2,014,390	1.21
10	MR VU QUANG MINH DANG + MRS THI KIM DAU NGUYEN	1,970,175	1.18
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,744,105	1.04
12	MR IANAKI SEMERDZIEV	1,379,000	0.83
13	UPSKY EQUITY PTY LTD	1,375,000	0.82
14	D&C PESCA S.A.C.	1,081,027	0.65
15	LAVISH LIMOUSINES PTY LTD	970,117	0.58
16	MRS LILIANA TEOFIOVA	947,000	0.57
17	MR BAO FENG PAN + MS MIN HUA XUAN	860,000	0.51
18	MR JOHN CLIFFORD GOULDING + MRS CAROL ANN GOULDING	820,000	0.49
19	MR NISCHAL DINESH JEENA	750,000	0.45
20	MR CHI MAU PHUONG	746,059	0.45
TOTAL		125,312,528	74.97%