



# HALF YEAR REPORT

31 December 2020

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE  
30 JUNE 2020 ANNUAL REPORT OF COMPANY  
LODGED ON 2 NOVEMBER 2020



ASX Code: SRK

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**CORPORATE DIRECTORY****BOARD**

Farooq Khan	Executive Chairman
William Johnson	Managing Director
Victor Ho	Executive Director
Malcolm Richmond	Non-Executive Director
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**COMPANY SECRETARY**

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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 2020 (**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 2020	December 2019
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>
Total revenue	91,357	13,595
Total expenses	(623,716)	(812,600)
Loss before tax	(532,359)	(799,005)
Income tax expense	-	-
Loss after tax	(532,359)	(799,005)

## CASH FLOWS

	December 2020	December 2019
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>
Net cash flow from operating activities	(2,305,743)	(986,597)
Net cash flow from investing activities	956	872,146
Net cash flow from financing activities	3,795,018	922,139
Net change in cash held	1,490,231	807,688
Cash held at half year end	4,549,549	2,038,833

## FINANCIAL POSITION

	December 2020	June 2020
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>
Cash	4,549,549	3,241,161
Financial assets at fair value through profit or loss*	203,664	164,083
Exploration and evaluation expenditure	2,894,117	1,016,713
Receivables	203,583	57,494
Other assets	39,271	9,991
Liabilities	(527,808)	(254,373)
<b>Net assets</b>	<b>7,362,376</b>	<b>4,235,069</b>
Issued capital	154,779,314	151,049,893
Reserves	14,996,206	15,065,961
Accumulated losses	(162,413,144)	(161,880,785)
<b>Total equity</b>	<b>7,362,376</b>	<b>4,235,069</b>

# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

### Paulsens East Iron Ore Project (Pilbara, Western Australia)

(Strike – 100%)

The Paulsens East Iron Ore Project (**Paulsens East**) is located in the Pilbara region of Western Australia, ~10 kilometres from the Paulsens Gold Mine (owned by Northern Star Resources Limited (ASX:NST)), ~200 kilometres west of Paraburdoo (where a key 'FIFO' airport is located), ~233 kilometres by road from the Port of Onslow and ~600 kilometres by road from Port Hedland (refer Figure 1).

#### Completion of Feasibility Study

On 30 October 2020, Strike announced the completion of the Feasibility Study (**Study**) on Paulsens East, which confirmed strong project economics for a 1.5Mtpa production rate over an initial 4 year life of time (**LOM**) with direct shipping ore (**DSO**) (lump and fines) product trucked to Port Hedland for export.<sup>1</sup>

#### Paulsens East Economics and Assumptions

The results from the Study together with key assumptions are summarised in the following tables:

Financial Metrics	Unit	Study Outcome Benchmark Iron Ore Price US\$115/t <sup>2</sup>	Study Outcome Benchmark Iron Ore Price US\$100/t <sup>3</sup>
Life of Mine Revenue	A\$M	1,032	906
Operating Net Cashflow	A\$M	279	167
NPV	A\$M	227	140
IRR	%	223	213

Table 1: Study Financial Metrics (pre-tax)

Operating Metrics	Unit	Study Outcomes
Production Rate	Mtpa	1.5
Average Strip Ratio	Waste:Ore	3:1
Initial LOM	Years	4
Total Tonnes Processed	Mt	6.2
Average C1 <sup>4</sup> Costs	US\$/t	64.8

Table 2: Study Operating Metrics

Key Assumptions	Unit	Study Input Benchmark Iron Ore Price US\$115/t LOM	Study Input Benchmark Iron Ore Price US\$100/t LOM
Benchmark Price	US\$/t	115	100
Lump to Fines Ratio	Lump:Fines	75:25	75:25
Price received – Lump (62% Fe)	US\$/t	127	112
Price received – Fines (59% Fe)	US\$/t	103	89
US\$/A\$ Exchange Rate	US\$/A\$	0.70	0.70

Table 3: Study Key Assumptions (average over LOM)

An economic model prepared by Strike forecasts an operating net cashflow of **\$167 Million** (pre-tax) and a net present value (**NPV**) of **\$140 Million** (pre-tax) over an initial four-year mine life, at an average Benchmark Price of US\$100/t over LOM (US\$115/t in the first year of production declining to US\$85/t in the fourth year).

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

2 Constant over LOM

3 Average over LOM

4 C1 Costs include mining, processing, haulage, port handling, administration and marketing, but excludes royalties, shipping, depreciation and capital charges.



# DIRECTORS' REPORT

If a Benchmark Price of US\$115/t is sustained for the LOM, the forecast operating net cashflow is **\$279 Million** and pre-tax NPV is **\$227 Million** over the four year LOM.

The Company notes that the Benchmark iron ore price continues to remain very strong - currently ~US\$168/t<sup>5</sup> (compared with an average of US\$100/t assumed under the Study in October 2020). Furthermore, the premium attached to Lump ore over Fines has increased significantly, reaching record highs recently of US\$0.51 per dry metric tonne unit (compared with US\$0.20 per dry metric tonne unit assumed under the Study in October 2020). Based on Fe content of 62% for the Paulsens East product, this would imply an uplift of ~US\$32 per tonne of Lump ore once the Paulsens East Lump product is established in the market. The premium pricing paid for Lump ore is highly significant, given that at least 75% of the Paulsens East DSO product is expected to be Lump ore.

Estimated pre-production capital costs are approximately \$15.7 Million (including contingencies), with an internal rate of return (IRR) of 213%.

An average iron ore price of US\$100 per tonne<sup>6</sup> (62% Fe Fines, delivered CFR China) (**Benchmark Price**) has been assumed in the Study over the LOM.

Average C1 cash costs free onboard (**FOB**) across the LOM are expected to be approximately US\$64.8 per tonne.

The forecast Paulsens East 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 an assumed rate of 30% on its taxable income. Any tax payable may potentially be reduced by utilising Strike's carried forward tax losses, which currently totals ~\$25 Million<sup>7</sup>.

Strike has a confidence level of +/- 15% in the Study's forecast Capital and Operating Costs.

For further details on the Study, refer to Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

## Paulsens East Production Details

Strike plans a 1.5 Million tonnes per annum (**Mtpa**) production schedule of direct shipping ore (DSO) over a minimum four-year LOM (totalling approximately 6.0 Million tonnes). This initial production target has been determined to facilitate fast track production of lower strip-ratio material at first instance, with the opportunity to expand production once the initial production target is met and is underpinned by the Probable Ore Reserve of 6.2 Million tonnes (within the Indicated Mineral Resource of 9.6 Million tonnes).

An open cut mine is proposed, with an average forecast waste to ore ratio of 3.0 over the first four years of mining. Ore will be crushed and screened to produce DSO Lump and Fines products, with estimated average product Lump grade of 62% Fe and Fines grade of 59% Fe over the LOM. 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. An on-site laboratory will be established for ongoing analysis of ore samples to manage grade control and ensure consistency of product grades.

Processed Lump and Fines products will be trucked from the mine to the Utah Point Multi-User Bulk Handling facility at Port Hedland (**Utah Point**), predominantly by sealed road, where it will be stockpiled prior to being loaded directly into ocean going vessels (**OGV's**) for export to customers.

Mining, crushing and screening and haulage operations are proposed to be undertaken by specialist contractors with overall supervision and management provided by Strike employed personnel.

## Paulsens East Opportunities

Opportunities identified with the potential to have a materially positive impact on the value of Paulsens East include:

- Extending the LOM, underpinned by the balance of the existing JORC Indicated Mineral Resource inventory.

5 62% Fe Index (CFR China), as at 12 March 2021

6 The Benchmark Price is assumed to decline from US\$115 per tonne in the first full year of production to US\$85 per tonne in the fourth year, equating to an average of US\$100 per tonne over LOM

7 Subject to compliance with Australian tax laws

# DIRECTORS' REPORT

- Producing a higher grade (63 - 64%) product with studies currently underway to confirm this potential.
- Exploration potential based on small hematite conglomerate outcrops along the surface and a drill intersection located 1.6 kilometres along the hematite ridge at the south-eastern corner of the tenement previously identified by Strike<sup>8</sup> and more recently taken surface rock-chip samples grading 64.4% - 66.2% Fe identified at multiple locations in the same area.<sup>9</sup>
- Exploration potential based on areas of surface detrital material identified north of the hematite ridge, where screening and assay results from a sample showed a highly encouraging product grade of 60% Fe, 6.4% SiO<sub>2</sub> and 3.4% Al<sub>2</sub>O<sub>3</sub> with a mass recovery of 83% on crushing to -32mm and simple wet screening at +1mm size (refer Figure 4).<sup>10</sup>

The exploration targets (referred to above) are conceptual in nature, there has been insufficient exploration to estimate a JORC Mineral Resource in respect of the same and it is uncertain if further exploration will result in the estimation of a JORC Mineral Resource in this regard.



Figure 1: Paulsens East Project Location, West Pilbara

- 8 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
- 9 Refer Strike's ASX Announcements dated 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 10 Refer Strike's ASX Announcements dated 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East and 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

# DIRECTORS' REPORT

## Paulsens East JORC Mineral Resource and Ore Reserve

Paulsens East consists of a three-kilometre-long outcropping high-grade hematite ridge, containing a **JORC Indicated Mineral Resource of 9.6 Million tonnes at 61.1% Fe**, 6.0% SiO<sub>2</sub>, 3.6% Al<sub>2</sub>O<sub>3</sub>, 0.08% P (at a cut-off grade of 58% Fe).<sup>11</sup>

As part of the completion of the Study, part of the JORC Indicated Mineral Resource has been converted to a **maiden JORC Probable Ore Reserve of 6.2 million tonnes at 59.9% Fe**, 7.43% SiO<sub>2</sub>, 3.77% Al<sub>2</sub>O<sub>3</sub> and 0.086% P (at a cut-off grade of 55% Fe).



Figure 2: Paulsens East Hematite Ridge

Head Grade analyses of a 90:10 blend of high-grade hematite:waste ore (from bulk samples collected from a test pit in August 2020<sup>12</sup>) by ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) confirmed that a 62% Lump product low in alumina and a 59% Fines product with a moderate level of alumina can be achieved from the Ore Reserve.

For further technical details on the maiden JORC Probable Ore Reserve estimate, refer to Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

## Native Title Mining Agreement with Puutu Kunti Kurrama and Pinikura People (PKKP) Traditional Owners

On 14 August 2020, Strike entered into a Native Title Mining Agreement (**Native Title Agreement**) and State Deed (for the grant of a mining lease) (**State Deed**) with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**). The PKKPAC holds native title on trust for the benefit of the Puutu Kunti Kurrama and Pinikura People (**PKKP**) Traditional Owners.<sup>13</sup>

The Native Title Agreement provides an agreed framework for Strike to undertake its mining activities at Paulsens East in a way that minimises any impacts on Aboriginal Cultural Heritage. The agreement has a strong focus on protection of Aboriginal heritage and includes effective safeguards for the care and protection of the lands and rights of the PKKP peoples. Strike has also agreed to provide a package of financial and business development related benefits for the PKKP, including an annual payment based on the value of iron ore sales, an annual training and development allowance for PKKP members together with opportunities for PKKP members to contract for the provision of certain support operations related to Paulsens East.

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

12 Refer Strike's ASX Announcement dated 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East

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

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# DIRECTORS' REPORT

## Grant of 21 Year Mining Lease

On 4 September 2020, Strike received the grant of a Mining Lease (M47/1583) for an initial term of 21 years.<sup>14</sup>

## Test Pit Bulk Sample

In August 2020, Strike successfully completed a test pit and collected approximately three tonnes of bulk samples to provide material (reflective of the final iron ore product) for offtake discussions and marketing and for further metallurgical testing and beneficiation testwork to optimise the plant design for mine crushing and the screening circuit.<sup>15</sup>

The test pit was excavated close to the eastern edge of the three kilometre long outcropping hematite ridge and clearly exposed the multiple bands of high-grade hematite iron ore, which extend to depth and ~three kilometres east to west along strike (refer Figures 3 and 4).

Head Grade analyses of a 90:10 blend of high-grade hematite:waste ore by ALS Metallurgy Iron Ore Technical Centre (ALS IOTC) confirmed that a 62% Lump product low in alumina and a 59% Fines product with a moderate level of alumina can be achieved from the Ore Reserve.



Figure 3: High grade hematite bands extending from top of ridge to depth

## Hematite Rich Detrital Material at Surface

During the August 2020 test pit/bulk sample field programme, sampling from surface to a depth of 1.5 metres approximately 100 metres north of the hematite ridge indicated the presence of loose scree dominated by high-grade hematite (refer Figure 4). Screening and assay results showed a highly encouraging product grade of 60% Fe, 6.4% SiO<sub>2</sub> and 3.4% Al<sub>2</sub>O<sub>3</sub> with a mass recovery of 83% on crushing to -32mm and simple wet screening at +1mm size.<sup>16</sup>

Detrital iron ore deposits are formed by weathering and erosion of outcropping iron mineralisation, with such eroded material often being found at the base of outcropping ridges of mineralised rock (as at Paulsens East) presenting itself as pebbles and fine gravel mixed up with soil and alluvium (refer also Figure 4).

The technique for mining and upgrading detrital iron ore typically includes simple excavation (e.g. using a bulldozer and front end loader) and minor crushing to the required top size together with relatively inexpensive dry or wet screening. Because the detrital material is already broken and reduced in size, strip ratios are exceptionally low and no drilling or blasting would typically be required. Thus, potential exists for significant savings in the cost of mining surface detrital materials, compared to mining normal bedrock deposits.

<sup>14</sup> Refer Strike's ASX Announcement dated 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project

<sup>15</sup> Refer Strike's ASX Announcement dated 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East

<sup>16</sup> Refer Strike's ASX Announcement dated 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East and 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

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# DIRECTORS' REPORT



*Figure 4: Test pit at eastern end of outcropping hematite ridge with detrital material at surface in foreground*

In October 2020, Strike completed a sampling programme to test the potential extent and quality of the detrital material at Paulsens East. 50 pits were excavated (varying in depth from 0.1 to 3.2 metres, with an average depth of 1 metre, with the depth typically increasing further away from the base of the hematite ridge) over an area totalling 8.1 hectares where surface detrital material was visible.<sup>17</sup>

Samples were sent for metallurgical test work and analysis to determine the Fe grade, impurities and the best manner for the detrital material to be upgraded to a DSO product. Strike is evaluating how best to extract additional value from this additional high grade hematite detrital material.

## **Metallurgical Testwork and Beneficiation**

Metallurgical and beneficiation testwork has been progressing to optimise process flow sheet and product specifications. A component of that testwork has been to seek ways in which to upgrade the existing high grade ore proposed to be produced into an even higher value premium product. In this regard, Strike's current plans are to produce high grade DSO products (with a Lump grade of 62% Fe and Fines grade of 59% Fe over the LOM) with a simple dry crushing and screening circuit.

Strike's testwork indicates that the current DSO product is potentially amenable to upgrade to a premium product through the addition of an optional beneficiation circuit consisting of one or more 'ore sorters'. These ore sorters could be integrated into the standard crushing and screening circuit and would act to upgrade the grade and quality of the Lump and Fines products even further.

The addition of ore sorters would add to the overall capital cost of Paulsens East but would deliver a higher premium price for the iron ore produced, adding significantly to the projected cash flows over the LOM. The decision whether to add these ore sorters at the start of operations or subsequent to operations commencing will be made at the time of Final Investment Decision (**FID**), taking a number of factors into account including market conditions at the time.

<sup>17</sup> Refer Strike's ASX Announcement dated 26 October 2020: High Grade Iron Detrital Sampling Programme Completed at Paulsens East

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# DIRECTORS' REPORT

## Marketing

Strike has continued to actively engage with a range of potential customers and off-take partners with regard to securing the best possible terms for sale of its Paulsens East products.<sup>18</sup> These parties include Chinese steel mills, global established iron ore traders as well as a number of other marketing groups. In addition to negotiating optimal pricing formulae and payment terms for its products, Strike has held discussions with a number of the above parties regarding the potential to contribute project financing facilities and/or pre-payments for iron ore shipments.

Whilst these discussions remain ongoing and confidential, Strike can confirm that:

- There is strong interest from multiple parties to secure regular supplies of iron ore from Paulsens East;
- Multiple parties have expressed interest in providing project finance and/or pre-payment for iron ore shipments, as well as taking equity participation at Paulsens East Project level;
- Negotiations have advanced from multiple off-take offers to a short list of three parties regarding off-take of ore from Paulsens East;
- Term Sheets have been drafted and reviewed with these parties, some of which include the provision of substantial pre-payment and working-capital facilities, which would act to reduce the amount of additional capital which Strike would otherwise need to raise to advance Paulsens East; and
- Strike continues to evaluate and negotiate with these parties and anticipates entering into one or more agreements before or shortly after making FID.

## Other Activities

- Submitted (in December 2020) the application for a Mining Proposal to the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**) for approval to undertake mining operations on the Mining Lease, pursuant to mining legislation and regulations. Following an initial review of Strike's application, DMIRS has responded with a request for clarification on a number of issues, which is normal for submissions of this nature. Strike is currently preparing a response to this request, which it expects to submit to DMIRS shortly to conclude the matters required by DMIRS to facilitate their approval of the Mining Proposal.
- Completed water studies, including flow testing of several water bores which have demonstrated the potential to provide water for construction and mining operations. An application has been submitted to the Department of Water and Environmental Regulation (**DWER**) for a licence to extract water to support mining and operational activities.
- Completed a Heritage Survey over the proposed haulage road from the mine site to Nanutarra Road, the proposed mining village site and other proposed infrastructure areas.
- Submitted the Project Management Plan to DMIRS for approval of mine site occupational health and safety management systems, pursuant to mines safety legislation.
- Submitted the Works Approval with DWER for approval, pursuant to environmental legislation and regulations.
- Submitted an application for clearing permits to DMIRS (under delegation by DWER), pursuant to (including Commonwealth) environmental legislation and regulations.
- Advanced discussions with various stakeholders to facilitate the grant of Miscellaneous Licences required for haulage and access roads and other infrastructure to support mining operations.
- Advanced discussions with potential providers/operators of camp facilities and infrastructure.
- Advanced commercial discussions with a short-listed group of potential providers for the award of key contracts for drill and blast, mining, crushing and screening, haulage and other services.
- Progressed with final design activities for various infrastructure works, including the haulage and access roads, the intersection of the haulage road with Nanutarra Road, the mine village, mining operations centre (MOC), fuel supply systems and water bores, storage and distribution systems.
- Advanced the recruitment of key operational personnel to the Paulsens East Owner's Team', with a number of appointments having been made in mine site management, transport logistics and finance.

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

# DIRECTORS' REPORT

- Entered into a Memorandum of Understanding (MOU) with a transshipment services operator to investigate the logistics and potential cost savings of conducting shipping operations out of the Onslow Marine Supply Base (**OMSB**) in Onslow (where Strike has an existing letter of intent with the Port Operator) given the significantly lower transport distances involved in transport to Onslow versus Port Hedland (~230km vs ~600km).

## Proposed Activities

- Continue recruitment of key operational roles, particularly in the areas of construction and contractor supervision and health, safety and environment.
- The conclusion of all remaining access agreements to pave the way for the grant of Miscellaneous Licences required for mining operations.
- Concluding contract negotiations with potential/preferred providers in respect of mine site construction, haulage and access roads construction, drill and blast, mining, crushing and haulage services, fuel supply and on-site fuel facility installation, telecommunications installation, camp facilities and other related infrastructure and services in support thereof.
- Continued engagement with the Pilbara Ports Authority (**PPA**) to utilise the Utah Point Multi-User Bulk Handling facility at Port Hedland.
- Continue reviewing the use of the OMSB in Onslow and associated logistics as a possible alternate/supplementary export facility.<sup>19</sup>
- Concluding one or more offtake and/or project financing agreements.
- Finalising all other applications for permits, licences and other regulatory approvals required for proposed mining operations (ie. DMIRS, DWER, Main Roads WA, Shire of Ashburton).
- Development of appropriate systems and processes for Health and Safety, Environmental Management, Heritage Management, Risk Management, Contractor Management and Compliance.

## ASX Announcements

For further details, refer to Strike's historical announcements on the Paulsens East Iron Ore Project:

- 16 November 2020: Paulsens East Iron Ore – Marketing Update;
- 30 October 2020: Feasibility Study Demonstrates Significant Cashflow & Return;
- 26 October 2020: Iron Detrital Sampling Programme Completed at Paulsens East;
- 14 October 2020: Discovery of High Grade Iron Rich Detritals at Paulsens East
- 6 October 2020: Discovery of High Grade Iron Rich Detritals at Paulsens East
- 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project
- 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East
- 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development
- 22 July 2020: Native Title Agreement Progress to Final Stage
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 22 June 2020: Engenium to Complete Paulsens East Feasibility Study
- 29 April 2020: MOU Executed for Iron Ore Haulage Services with Campbell Transport for Paulsens East Iron Ore Project
- 9 April 2020: Revised Scoping Study for Utah Point, Port Hedland Supports Excellent Project Economics for Paulsens East Iron Ore Project

<sup>19</sup> Refer also Strike's ASX Announcements dated 19 November 2019: Beadon Creek Onslow Selected as Preferred Port for Paulsens East and 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project

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# DIRECTORS' REPORT

- 3 April 2020: Final Heritage Surveys Now Completed for Paulsens East Iron Ore Project
- 25 March 2020: Utah Point, Port Hedland Considered as Preferred Port Option for Paulsens East Iron Ore Project
- 12 February 2020: Substantial Progress Towards Development of Paulsens East Iron Ore Project
- 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource
- 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project
- 19 November 2019: Beadon Creek Onslow Selected as Preferred Port for Paulsens East
- 24 October 2019: Strike Strengthens Management Team for Paulsens East Iron Ore Project with Key Appointments
- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities
- 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
- 19 June 2019: Strike's Iron Ore Assets

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# DIRECTORS' REPORT

## Apurimac Iron Ore Project (Peru)

(Strike – 100%)

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation (refer Figure 5).



Figure 5: Strike Apurimac Iron Ore Project, showing route of proposed Andahuaylas Railway

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.8% Fe and 127 Mt Inferred Resource at 56.7% Fe)<sup>20</sup> (refer also Figures 6 and 7).

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.



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

<sup>20</sup> Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

# DIRECTORS' REPORT

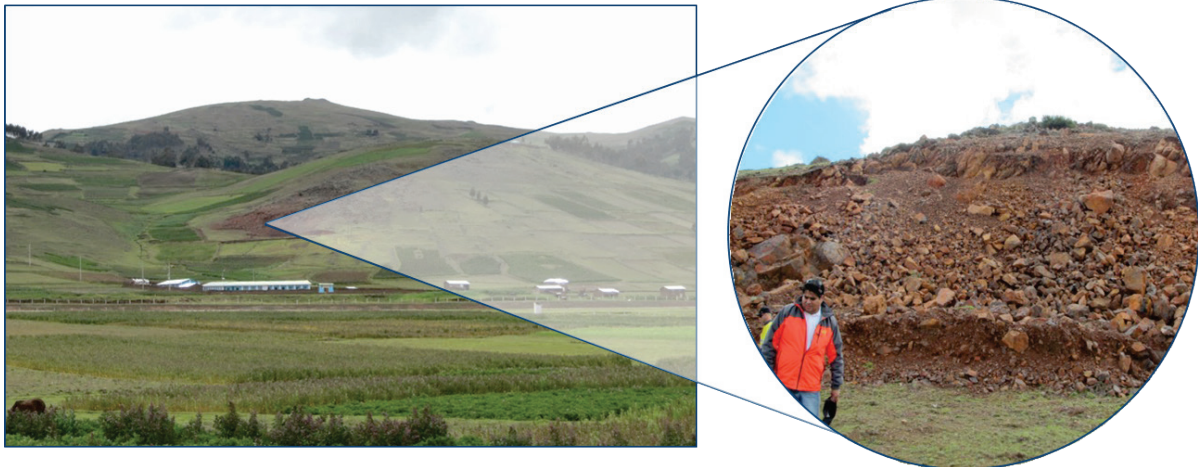


Figure 7: Opaban 1 deposit has favourable topography for low strip-ratio, open cut mining

## Commencement of Mining Operations at Apurimac Project

In order to capitalise on the current and strong demand for iron ore, Strike has been investigating ways in which mining operations from its Apurimac Project might commence, particularly of the high grade DSO material which is principally located at or near surface on the Opaban 1 and Opaban 3 deposits.

Strike has experience in this type of mining activity having commenced a pilot operation in December 2013, where approximately 8,000 tonnes of ore was mined from surface outcrops on the Opaban 3 concession by local miners, transported to the west coast of Peru and sold to a local steel mill (refer Figures 8 and 9).

Strike has made significant progress in the commencement of mining operations at Apurimac, as follows:

- Strike has entered into a formal mining agreement with local miners whereby such miners have been registered to mine high grade DSO material from the Apurimac Project.
- The process of engagement of local miners to mine this DSO material is based on Peruvian mining legislation which allows local miners to mine up to 350 tonnes per day (or ~125,000 tonnes per annum) of iron ore from specific portions of a mining concession. This legislation allows for significantly reduced timetables and simplified processes for obtaining environmental and other permits.
- Mining operations have now commenced and iron ore is currently being crushed and stockpiled for eventual transport by truck to a port on the west coast of Peru for shipment to customers once a sufficient quantity for export has been accumulated.
- Trucking quotes for transport of iron ore to port have been received and are within acceptable economic parameters.
- Discussions with a suitable port have progressed well, confirming the ability to load DSO lump for transport to markets in China. An agreement in-principle has been reached for export of iron ore with a formal agreement being the next step.
- Subject to local mining operations proceeding as planned, Strike expects a stockpile of DSO lump ready for transport and shipping in Q2 2021.
- Strike is also examining ways in which iron ore production may be increased by simultaneous mining of multiple deposits within the framework of current Peruvian mining regulations.

Based upon the previous experience in its pilot operation and a review of the DSO material, Strike is aiming to achieve a high grade DSO lump product with low impurities:



# DIRECTORS' REPORT

	%
<b>Fe</b>	64.35
<b>P</b>	0.07
<b>S</b>	0.07
<b>SiO<sub>2</sub></b>	2.85
<b>LOI</b>	0.56
<b>Al<sub>2</sub>O<sub>3</sub></b>	0.91

Table 4: Target characteristics of DSO material from Opaban 3 deposit



Figure 8: Stockpile created from local miners at Opaban 3 deposit



Figure 9: Previous excavation of high-grade iron ore from Opaban 3 deposit

# DIRECTORS' REPORT

## Andahuaylas Railway Development Update

Strike refers to its previous announcements regarding the proposed construction of a multi-user railway from the inland city of Andahuaylas in southern Peru, to the multi-user Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**).<sup>21</sup>

The Andahuaylas Railway would provide a direct link from Strike's Apurimac Project (located adjacent to Andahuaylas) to an established mineral export port, significantly improving the Apurimac Project's development prospects.

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.

Subsequent to the end of the half-year, Strike received a detailed update from Mr Carlos Saavedra, Director of the General Directorate of Transport Infrastructure and Services of the Ministry of Transport and Communications (**MOTC**) in Peru, advising of significant progress in the development of the Andahuaylas Railway:

- Subject to final approval of the Apurimac Railway Feasibility Study by the Peruvian Government expected in Q3 2021 and completion of more detailed engineering works, construction of the Andahuaylas Railway is proposed to commence in 2024 and be ready for operation by 2028.
- Remaining MOTC works are nearing completion, with geological and geotechnical studies (including drilling), surveying, photogrammetry, hydrological studies and community consultation now mostly complete.
- The MOTC recognises that Strike's Apurimac Project will be a key contributor to the overall feasibility of the railway.
- The preferred route to Andahuaylas (terminating directly at the Andahuaylas Airport near Strike's Apurimac Project) has been confirmed by the MOTC (577km in length) (refer Figure 10).

Carlos Saavedra, Director of the General Directorate of Transport Infrastructure and Services of the MOTC:

*This mixed-service railway, for massive quantities of cargo as well as passengers, should become a reality as it would interconnect the South of Peru, bringing material economic benefits due to the many activities that would be created around the railroad. This would contribute to the development of the country, significantly improving the livelihood of the population.*

## Railway Background

In 2018, the MOTC awarded a tender to an international consortium of engineering companies (Consortio Ferrocarril Del Sur, the **Southern Railway Consortium**) to complete a Feasibility Study on the construction of a multi-user railway from the inland regional capital city of Andahuaylas in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru.

Strike's Apurimac Project is located only 20km from the city of Andahuaylas.

In 2019, Strike entered into a Cooperation and Confidentiality Agreement with the Southern Railway Consortium, to share its own railway study<sup>22</sup>, provide input and advice and cooperate with the consortium to expedite the completion of its Feasibility Study.<sup>23</sup> Strike has been providing various data and information to the Consortium pursuant to the Cooperation Agreement.

21 Refer Strike's ASX Announcements dated:

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

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

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



# DIRECTORS' REPORT

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

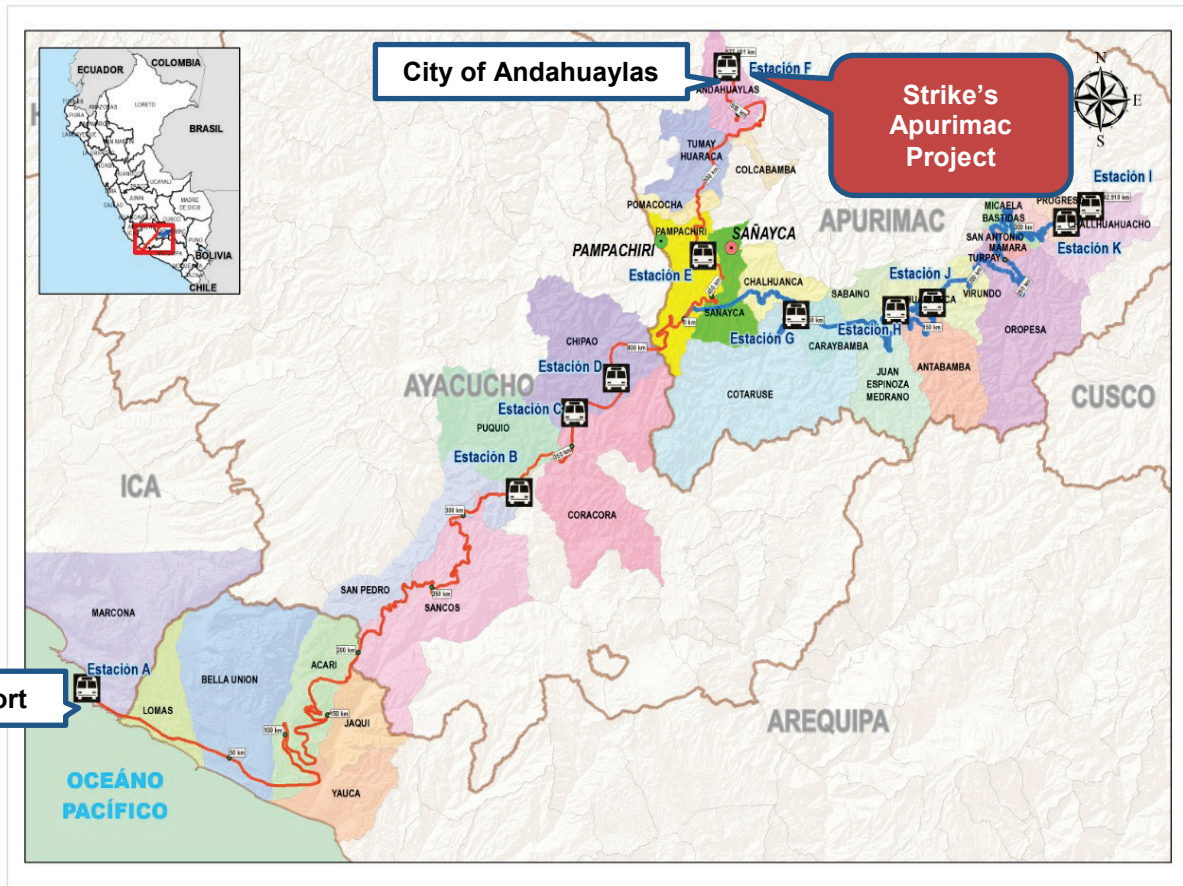


Figure 10 – Proposed Andahuaylas Railway Route (in red): Source MOTC

## Updating Feasibility Studies

Strike completed a Pre-Feasibility Study on the Apurimac Project in 2008<sup>24</sup> (subsequently updated in 2010<sup>25</sup>), which indicated the clear potential for development of a world class iron ore project, with competitive capital costs and very low operating costs:

- The 2008 Pre-Feasibility Study undertaken by Snowden Mining Industry Consultants and SKM utilised a proposed slurry pipeline configuration 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.

<sup>24</sup> Refer Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru

<sup>25</sup> Refer Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report

# DIRECTORS' REPORT

Due to the significant progress that is being made towards the development of the Andahuaylas Railway (refer above), together with the current very strong iron ore market (and Strike's belief that market conditions will remain strong in the medium to long term), Strike believes that it would be appropriate to advance the development of the Apurimac Project by updating its previous Pre-Feasibility Studies, taking account of current cost estimates, technology advancements (since 2010) and current/expected market conditions.

Strike's view is that such work will add significant value to the Apurimac Project, increasing the ability of the company to attract capital and or joint venture partners to develop the project to its highest commercial value.

Accordingly, Strike is currently preparing to commission an international engineering consulting group to update the previous Pre-Feasibility Studies.

Subsequent to the completion of a successful updated Pre-Feasibility Study, Strike will then consider its commercial options including advancing the Apurimac Project to a Bankable Feasibility Study (**BFS**) stage.

## Solaroz Lithium Project (Argentina)

(Strike – 90%)

The Solaroz Lithium Brine Project (**Solaroz**) comprises 8 (eight) exploitation concessions totalling 12,000 hectares (**Solaroz Concessions**) located mostly adjacent to and principally surrounded by concessions held by Orocobre Limited (ASX/TSX:ORE) and Lithium Americas Corporation (TSX/NYSE:LAC), within South America's 'Lithium Triangle' in North-West Argentina.

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) (refer Figure 11).

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.

The Solaroz Concessions are located in the Jujuy Province in northern Argentina, approximately 230 kilometres north-west of the capital city of Jujuy and lie at an altitude of approximately 3,900 metres and are accessed by good quality road infrastructure. The location is supported by favourable conditions in terms of both the operating environment and local infrastructure. Very limited rainfall combined with dry, windy conditions create the ideal environment for the brine-evaporation process. The area is also serviced by a gas pipeline which intersects the Solaroz Concessions, high voltage electricity, and paved highways. Three major seaports, Buenos Aires in Argentina, Antofagasta and Iquique in Chile, are serviced by international carriers and are easily accessible by road and/or rail.

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

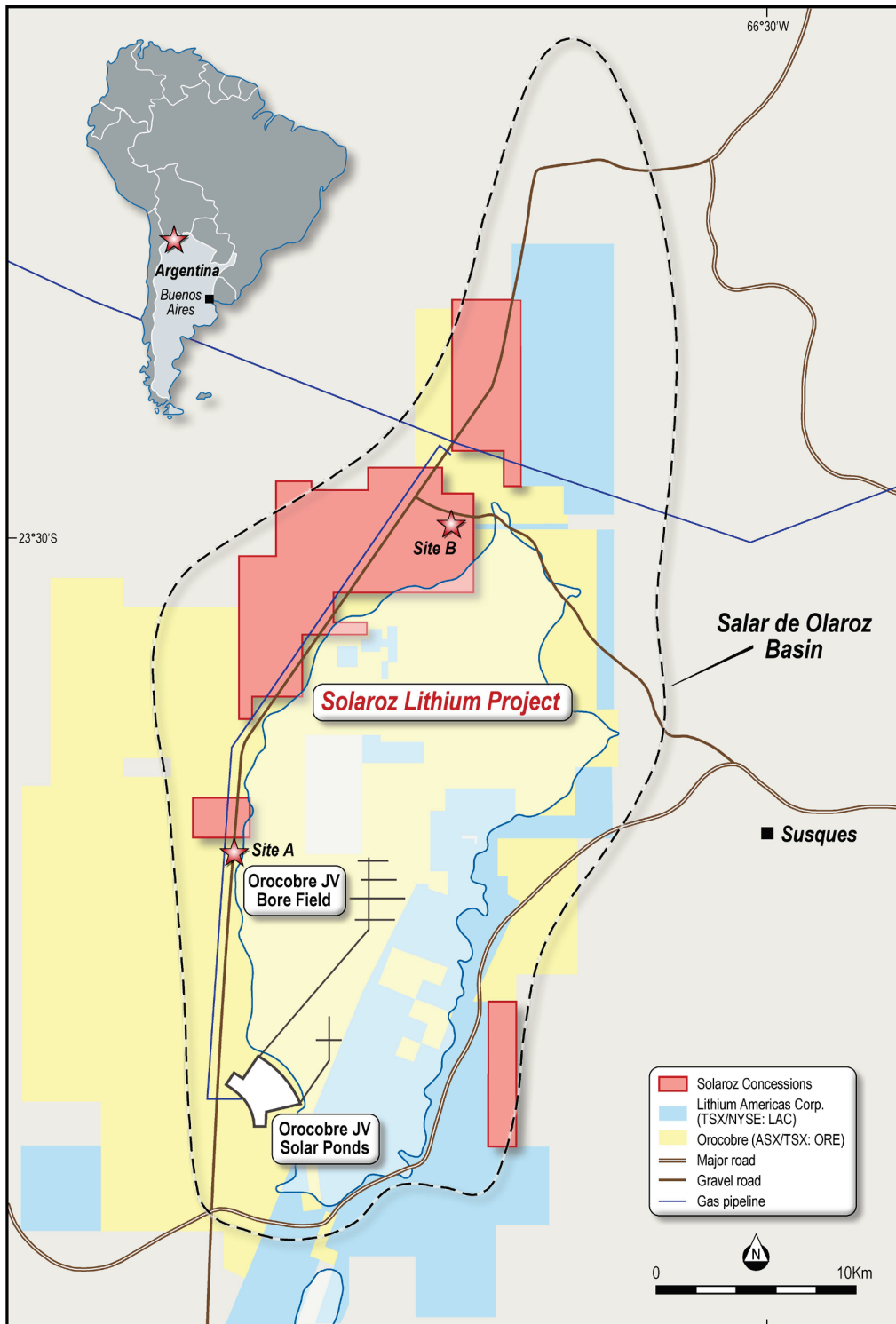
Argentina holds the world's biggest lithium resources (as brine deposits) and is currently the world's third largest producer of lithium, after Australia and Chile. One of the key attractions of lithium brine projects in Argentina is their low cost of production compared to hard rock lithium projects – Argentinian (and Chilean) lithium brine projects are well recognised as being the lowest on the lithium carbonate production cost curve. The principle reason for the low operating cost is that lithium rich brine, once pumped to the surface (typically from aquifers at up to several hundred metres depth) is then transferred to large evaporation ponds, which rely on free energy from the sun and local atmospheric conditions to concentrate the brine. There are generally no environmentally damaging tailings or toxic by-products.

In July 2019, Strike completed the preparation of an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz.<sup>26</sup> 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.


<sup>26</sup> Refer Strike's ASX Announcement dated 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina

# DIRECTORS' REPORT

The EIA Report is currently being reviewed by the Jujay Mining Authority with the review time framework having been extended as a consequence of COVID-19 pandemic issues in Argentina.



**Solaroz Lithium Project, Argentina  
Solaroz Concessions Location Plan**



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Figure 11: Solaroz Project – Location of Concessions

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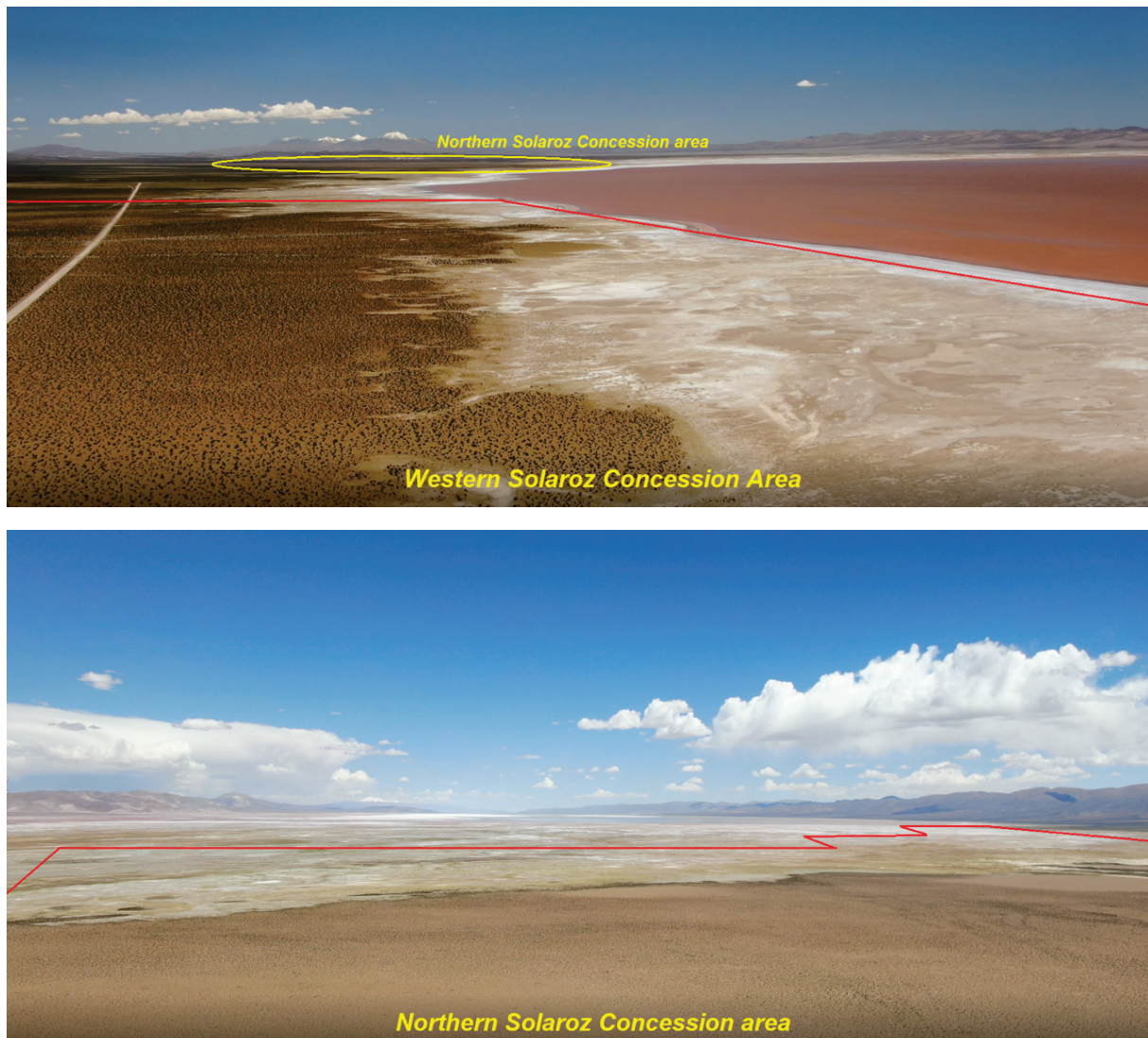


Figure 12: Photographs of Solaroz concession area taken from 'Site A' (top) facing North and 'Site B' (bottom) facing South (Sites as identified in Figure 11 Solaroz Project – Location of Concessions)

The Solaroz Concessions lie over the same Salar de Olaroz Basin from which Orocobre is extracting and processing lithium rich brine for sale as lithium carbonate since 2015. The Solaroz Concessions follow and overlap into the visible white halite salt layer of the 'Salar' (salt lake) and extend as substantial flat areas with 1 - 2 metres of elevation to the visible halite area, providing the ideal location and topography for the construction of evaporation ponds (refer Figure 12).

Strike's interpretation of the basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Orocobre (and targeted by other exploration and development companies in the area) extends under the Solaroz Concessions (refer Figure 13).

Strike's exploration target is based on the interpretation that the alluvial deposits upon which the Solaroz Concessions are located (at the North-West corner of the Salar) have been deposited relatively recently and lie directly above the productive deep sand unit of the lithium rich aquifer from which Orocobre is extracting its brine (refer "Deep Sand Unit", shown in yellow in Figure 13). This exploration target is conceptual in nature, there has been insufficient exploration to estimate a JORC Mineral Resource in respect of the same and it is uncertain if further exploration will result in the estimation of a JORC Mineral Resource.



# DIRECTORS' REPORT

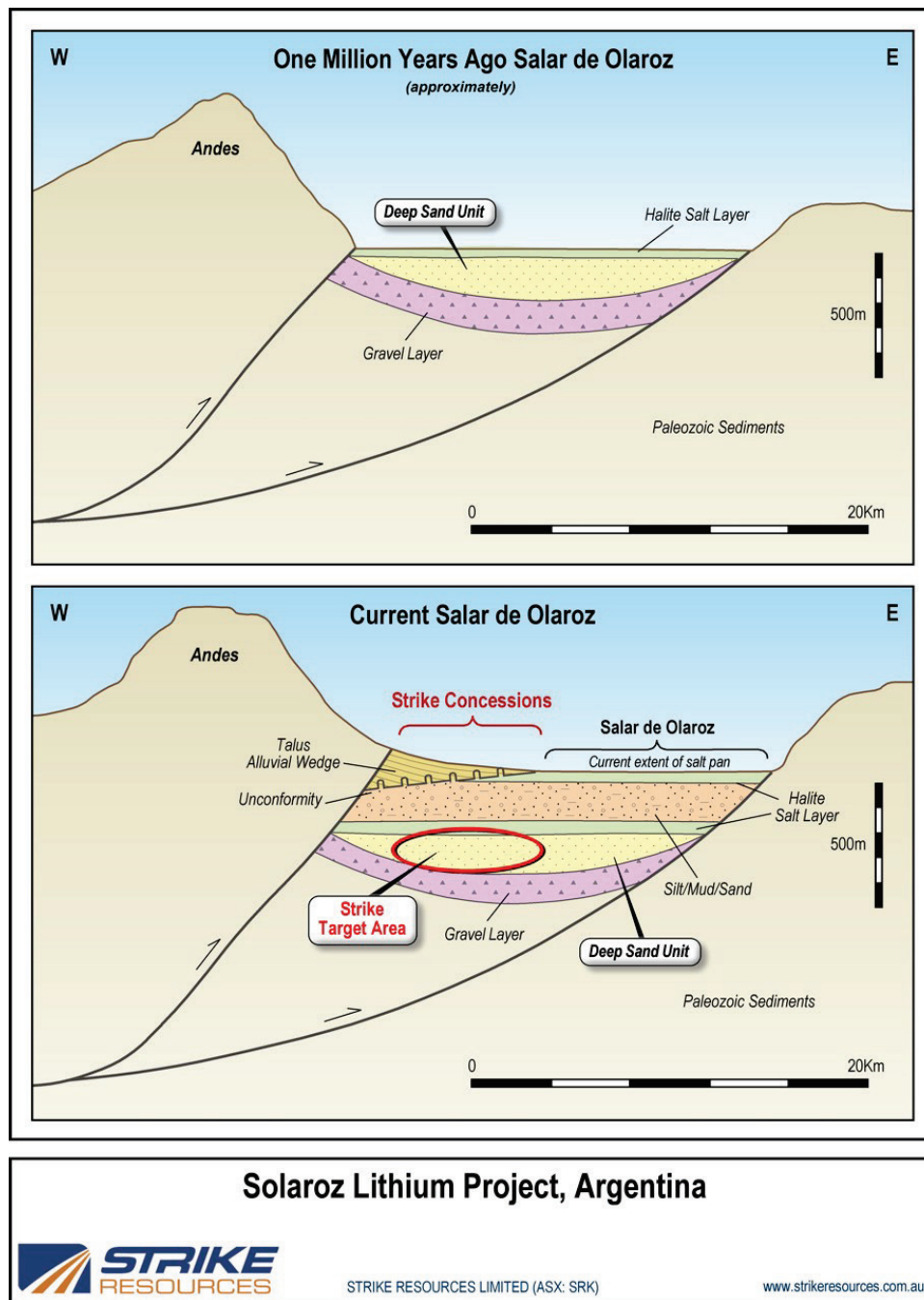


Figure 13: Geological cross sections depicting evolution of Olaroz Salar Basin and Strike's primary target zone for lithium mineralisation

This exploration target is conceptual in nature, there has been insufficient exploration to estimate a JORC Mineral Resource in respect of the same and it is uncertain if further exploration will result in the estimation of a JORC Mineral Resource.

Strike's geological interpretation indicates that the majority of the Solaroz Concessions are likely to lie directly over the productive lithium rich aquifer. Previously published geophysical studies undertaken by Orocobre<sup>27</sup> indicate that the sub-surface brine hosting aquifers appear to extend well outside the boundaries of the visible salt area and to depth and adds evidence supporting the likelihood of lithium rich brine hosted beneath the Solaroz Concessions.

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

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# DIRECTORS' REPORT

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

For further details about Solaroz, refer to Strike's ASX Announcements:

- 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina
- 17 April 2019: Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina
- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle

## Burke Graphite Project (Queensland, Australia)

(Strike – ~76.5%)

Strike's Burke Graphite Project (in which Strike holds a ~76% interest) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km) (refer Figure 14).

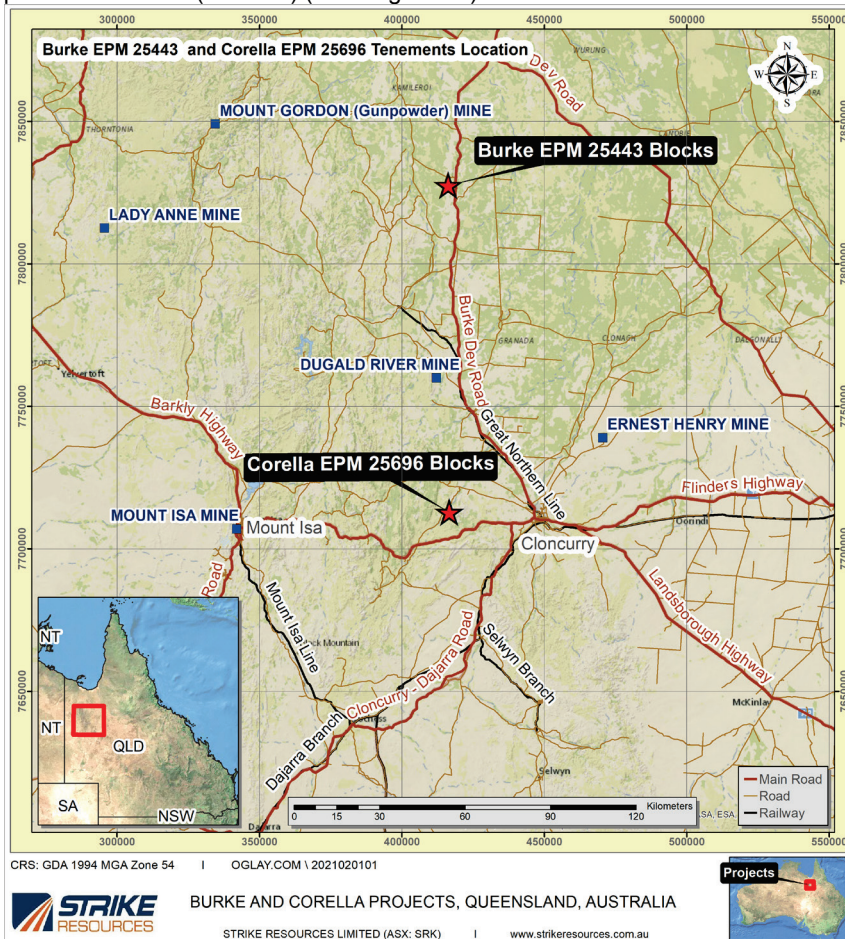


Figure 14: Burke Graphite Project Tenement Location in North Central Queensland

# DIRECTORS' REPORT

A Mineral Resource Estimate (MRE) for the project has defined a maiden Inferred Mineral Resource of<sup>28</sup>:

- **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 addition to the high-grade nature of the deposit, the Burke Graphite Project:

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

## High Grade Intersections from Drilling

A maiden drilling campaign was undertaken by Strike between 24 April 2017 and 14 May 2017 to test the graphite mineralisation in the key Burke tenement, EPM 25443<sup>29</sup>. Total metres drilled were 735.2m (618m in 9 RC holes and 117.2m in one diamond core hole) spread across four cross-sections over a strike length of 500m.

Drilling confirmed the continuity of high grade (>10%) graphite mineralisation over 500m along strike in the NE-SW direction and confirmed the presence of extensive zones of very high-grade graphite mineralisation, commencing at surface and extending to at least 100m in depth (refer Figure 15). Intersections encountered include:

- Diamond Core Hole BGDD001 : 99.8 Metres @ 21.1% TGC from 9 metres depth; and
- RC Hole BGRC001 : 43 Metres @ 18.87% TGC from 21 metres depth.

28 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).

29 Refer Strike's ASX Announcements dated and 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

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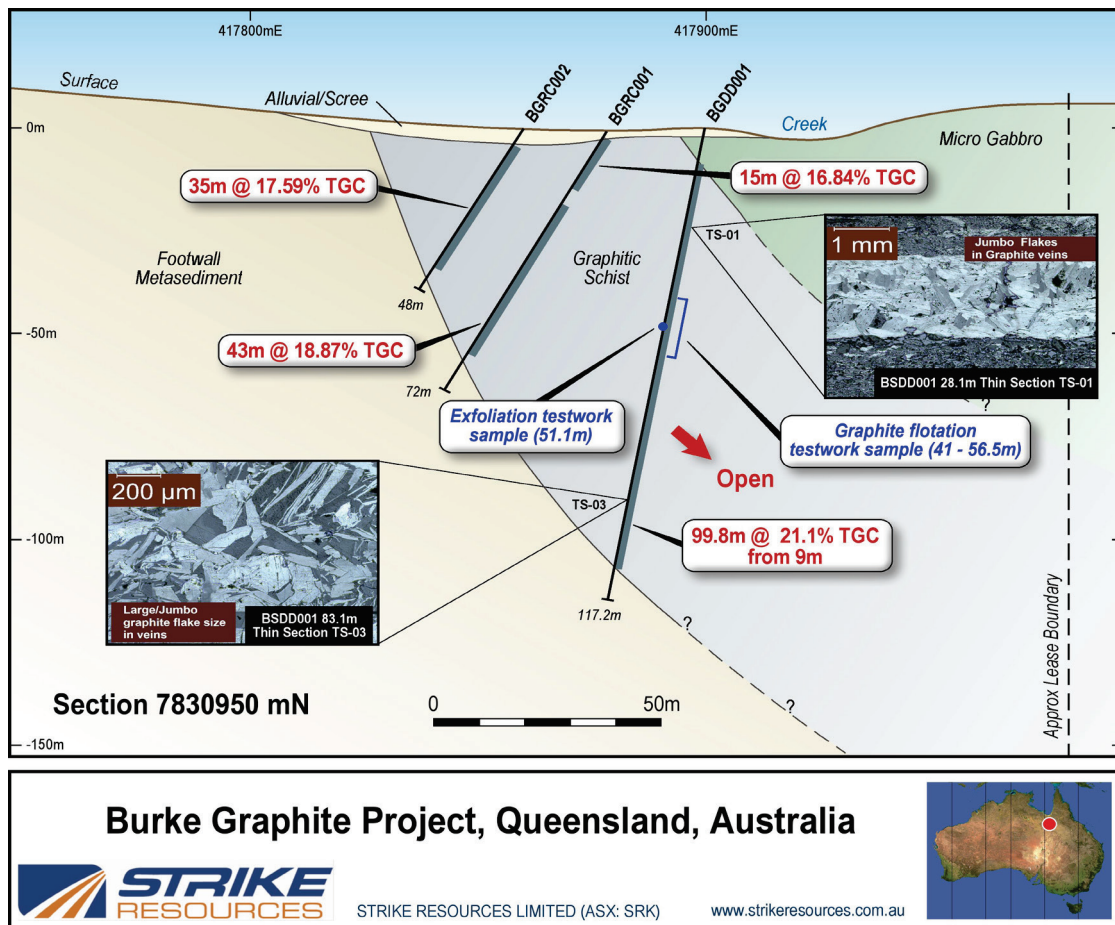


Figure 15: Burke Tenement Drilling Cross Section 7830950mN

## Ground EM Surveys

A ground Electro Magnetic (EM) survey was completed in June 2018, covering the south-eastern corner of Burke tenement EPM 25443 (drilled by Strike in 2017)<sup>30</sup> and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443).<sup>31</sup>

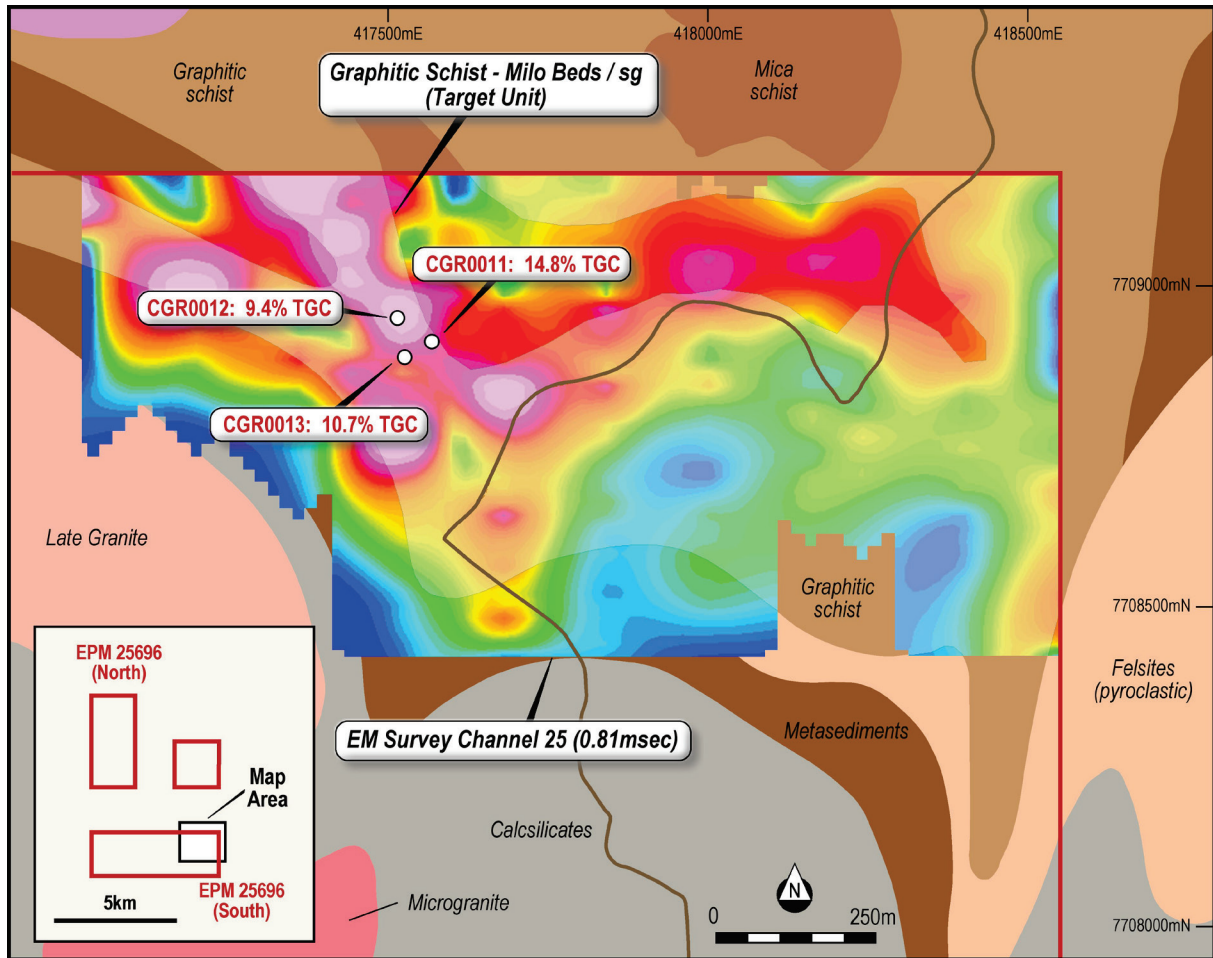
The EM survey identified the Corella Prospect as a significant target area for additional high-grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke Prospect.

The Corella Prospect (north east corner of EPM 25696 (South)) EM survey was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the "Milo beds" - within the Corella Formation. Graphite grading 5 -10% TGC is widespread throughout the outcropping Milo beds and the EM survey was carried out to identify higher-grade areas of mineralisation and identify future drill targets. The survey highlighted an area of approximately 1000m x 500m (refer Figure 16) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke EPM 2543 tenement were identified.

30 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

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

# DIRECTORS' REPORT



**Corella Graphite Prospect, Queensland, Australia**  
**EM Survey, Rock Sample & Results Plan**



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Figure 16: EM Survey - Corella Prospect, Burke Graphite Project

The conductive features identified at the Corella Prospect appear to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips (from previous sampling by Strike) of up to 14.85% TGC<sup>32</sup>.

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

<sup>32</sup> Refer Strike's ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

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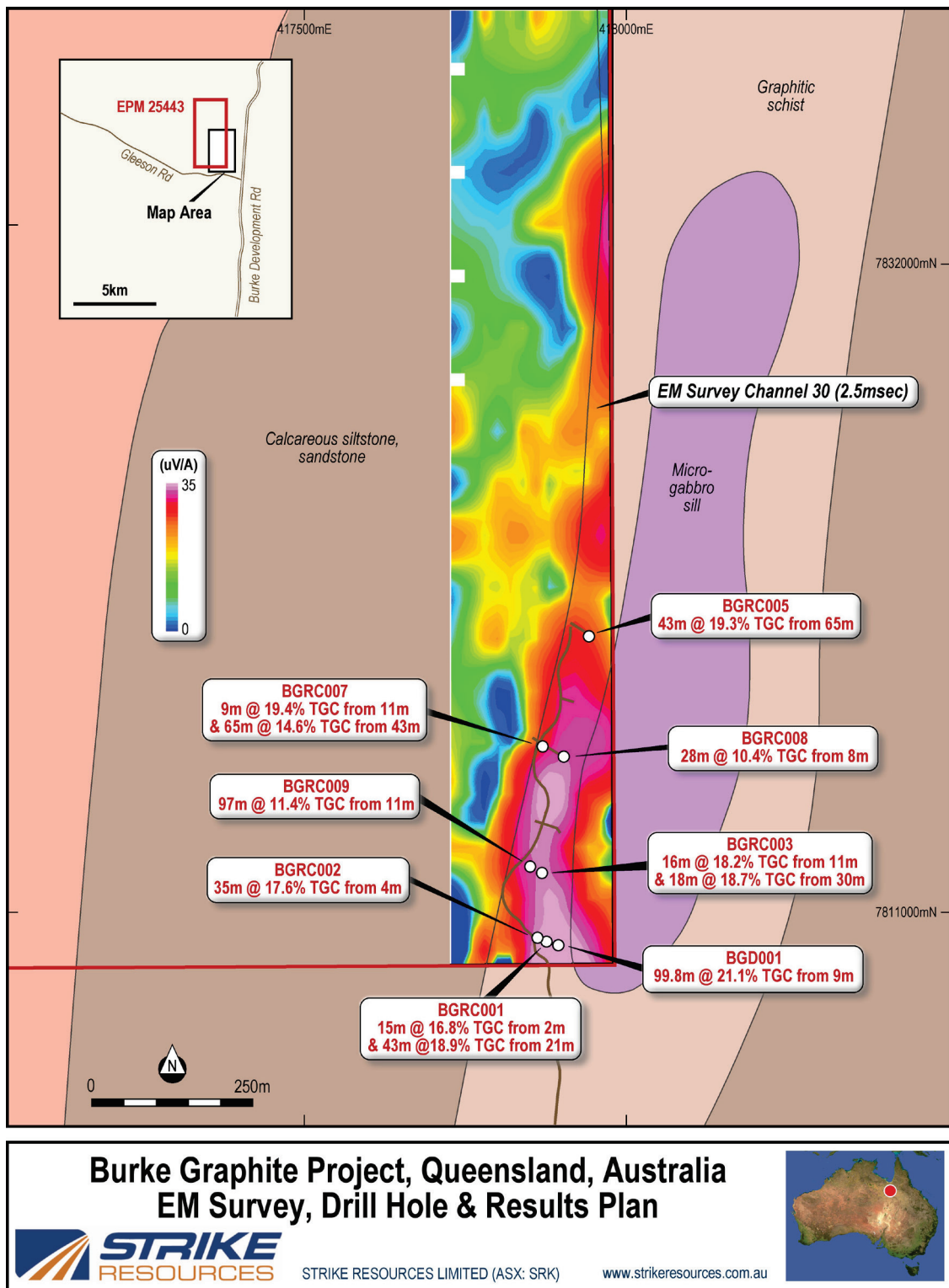


Figure 17: EM Survey - Burke Prospect, Burke Graphite Project

The EM survey over the south-eastern corner of Burke EPM 2543 was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists of the Corella Formation. The survey highlighted the high-grade graphite identified in Strike's maiden drilling programme and identified minor structural offsets, together with new zones of increased conductivity (refer Figure 17). In addition, the survey verified the width and dip of the drill intersected high-grade graphite.

# DIRECTORS' REPORT

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

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

## Quarterly Reports

Further information on Strike's activities and operations during and subsequent to the end of the half year are also contained in Strike's Quarterly Activities and Cash Flow Reports lodged on ASX dated:

- 1 February 2021: Quarterly Activities and Cash Flow Reports for December 2020;
- 2 November 2020: Sept Quarterly Report – Paulsens Feasibility Study Completed; and
- 31 July 2020: Quarterly Activities and Cash Flow Reports for June 2020.

## DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2020.

## CAPITAL RAISING

Strike announced on 25 November 2020<sup>33</sup> that it had undertaken a placement of 40 million shares at \$0.10 per share to raise a total of \$4 million (the **Placement**). The Placement was managed by Canaccord Genuity (Australia) Limited (**Canaccord**) and was made to professional and sophisticated investors. Canaccord received a commission on the gross funds raised under the Placement<sup>34</sup> and 1,000,000 Broker's Options (with an exercise price of \$0.15 and 3 year term expiring on 30 November 2023)<sup>35</sup>.

The Placement was undertaken in two tranches with:

- 10 million shares issued on 25 November 2020<sup>34</sup> (**Tranche 1**), which was completed within the approval obtained from shareholders to issue up to 60 million new shares to wholesale investors (subject to a minimum price<sup>36</sup>) during a 3 month period after the date of the General Meeting (on 2 September 2020)<sup>37</sup>, without using up the Company's 15% placement capacity and without the need to seek prior shareholder approval (pursuant to Listing Rule 7.1); and

33 Refer Strike's ASX Announcement dated 25 November 2020: Completion of \$4 Million Capital Raising

34 Refer Strike's ASX Announcements dated 1 December 2020: Update - Proposed Issue of Securities – SRK

35 Refer Strike's ASX Announcement dated 1 December 2020: Proposed Issue of Securities

36 Being at least 80% of the volume weighted average market price (as defined in the ASX Listing Rules) of Strike shares over the 5 days on which sales were recorded prior to the date of issue

37 Refer Strike's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 30 July 2020 and Strike's ASX Announcement dated 2 September 2020: Results of General Meeting



# DIRECTORS' REPORT

- (b) 30 million shares issued on 1 December 2020<sup>38</sup> (**Tranche 2**), which was completed within the Company's general 15% placement capacity (pursuant to Listing Rule 7.1).

On 1 December 2020, the Company applied for quotation of the 40 million Placement shares on ASX.<sup>39</sup>

The funds raised from the Placement (after paying expenses of the issue) will be 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.

The Company has convened a General Meeting to be held on 17 March 2021 to seek shareholder approval to:<sup>40</sup>

- (1) Ratify and approve Tranche 2 (30 million shares) of the Placement, to refresh the Company's 15% placement capacity; and
- (2) Approve and authorise the Directors to issue up to 60 million new shares to wholesale (ie. sophisticated or professional) investors (subject to a minimum price<sup>41</sup>) during a 3 month period after the date of the General Meeting, without using up the Company's 15% placement capacity and without the need to seek prior shareholder approval.

Any share issue (and the issue price related thereto) pursuant to Resolution (2) will be determined by the Directors at their absolute discretion at the relevant time.

## SECURITIES INCENTIVE PLAN

After a review of the 2012 Employee Long-Term Incentive Plan<sup>42</sup> and current 'best practice' in relation to securities-based incentive schemes, the Company adopted a Securities Incentive Plan (the **Plan** or **SIP**), which was approved by shareholders at the Company's AGM held on 4 December 2020.

The purpose of the Plan is to:

- (a) assist in the reward, retention, and motivation of 'Eligible Participants' (which includes employees, Executive and Non-Executive Directors and contractors);
- (b) link the reward of Eligible Participants to shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Company by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities (ie. a share, option, performance right or other convertible security).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of securities in the Company on such terms and conditions as the Board may decide and otherwise pursuant to the rules of the Plan. The maximum number of securities issued under the Plan is limited to 5% of Strike's issued share capital.

A summary of the Plan is in Annexure A to the Notice of Annual General Meeting and Explanatory Statement dated 20 October 2020 and released on ASX on 4 November 2020.

38 Refer Strike's ASX Announcements dated 1 December 2020: Proposed Issue of Securities – SRK

39 Refer Strike's ASX Announcements dated 1 December 2020: Appendix 2A - Application for Quotation of 40M Shares and 1 December 2020: Section 708A Cleansing Statement – Issue of 40M Shares

40 Refer Strike's Notice of General Meeting, Explanatory Statement and Proxy Form dated and released on ASX on 12 February 2021

41 That is at least 80% of the volume weighted average market price (as defined in the ASX Listing Rules) of Strike shares over the 5 days on which sales were recorded prior to the date agreement is reached in respect of the issue of the new shares

42 Refer Strike's Notice of Annual General Meeting released on ASX on 22 October 2012 and Strike's ASX Announcement dated 22 November 2012: Results of Annual General Meeting

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# DIRECTORS' REPORT

## SECURITIES ON ISSUE

The Company has 247,134,268 fully paid ordinary shares on issue (30 June 2020: 207,134,268). All such shares are listed on ASX.

During the half year, the following unlisted options were issued (for nil consideration):

Class of Unlisted Options	Exercise Price	Expiry Date	Number of options
Broker's options (\$0.15, 30 November 2023) <sup>43</sup>	\$0.15	30 November 2023	1,000,000
Directors' options (\$0.185, 3 December 2023) <sup>44</sup>	\$0.185	3 December 2023	12,000,000
SIP Options (\$0.21, 23 December 2023) <sup>45</sup>	\$0.21	23 December 2023	1,500,000
<b>Total</b>			<b>14,500,000</b>

The Broker's Options were issued as part of the remuneration of Canaccord, as Lead Manager to the \$4 million Placement.

The Directors' Options were issued to the Directors after receipt of shareholder approval at the Company's AGM.

The SIP Options were issued pursuant to an invitation made to an 'Eligible Participant' under the Company's Securities Incentive Plan.

43 Refer Strike's ASX Announcement dated 1 December 2020: Proposed Issue of Securities

44 Refer Strike's Notice of Annual General Meeting and Explanatory Statement (Resolutions 6 to 10) dated 20 October 2020 and released on ASX on 4 November 2020 and Strike's ASX Announcements dated 4 December 2020: Results of 2020 Annual General Meeting and 4 December 2020: Proposed Issue of Securities

45 Refer Strike's ASX Announcement dated 6 January 2021: Appendix 3G – Notification of Issue of 1.5M SIP Options

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# DIRECTORS' REPORT

## BOARD OF DIRECTORS

<b>Farooq Khan</b>	<b>Chairman</b>
<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)

<b>William Johnson</b>	<b>Managing Director</b>
<i>Appointed</i>	25 March 2013; Director since July 2006
<i>Qualifications</i>	MA ( <i>Oxon</i> ), 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 Molopo Energy Limited (ASX:MPO) (since 31 May 2018)
<i>Former directorships in other listed entities in past 3 years</i>	Keybridge Capital Limited (ASX:KBC) (29 July 2016 to 17 April 2020) Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

# DIRECTORS' REPORT

<b>Malcolm Richmond</b>	<b>Non-Executive Director</b>
<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

<b>Matthew Hammond</b>	<b>Non-Executive Director</b>
<i>Appointed</i>	25 September 2009
<i>Qualifications</i>	BA (Hons) ( <i>Bristol</i> )
<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>	None



# DIRECTORS' REPORT

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 ( <i>Western Australia</i> ), 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 (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX 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)

## 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 32. 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,



William Johnson  
Managing Director



Victor Ho  
Executive Director and Company Secretary

15 March 2021

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the review of Strike Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Strike Resources Limited and the entities it controlled during the half-year.

Rothsay Auditing



Daniel Dalla  
Partner

15 March 2021

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2020

	Note	31 Dec 20	31 Dec 19
<b>REVENUE</b>	2	\$	\$
Interest revenue		887	8,258
<b>Other</b>			
Dividend revenue		890	5,337
Other income		50,000	-
Net gain on financial assets at fair value through profit or loss		39,580	-
<b>TOTAL REVENUE AND INCOME</b>		<b>91,357</b>	<b>13,595</b>
<b>EXPENSES</b>	3		
Exploration and evaluation expenses		(12,114)	(174,892)
Net loss on financial assets at fair value through profit or loss		-	(39,988)
Personnel expenses		(242,263)	(261,627)
Corporate expenses		(194,687)	(139,473)
Occupancy expenses		(24,585)	(61,424)
Finance expenses		(2,558)	(1,807)
Foreign exchange loss		(46,490)	(8,852)
Administration expenses		(101,019)	(124,537)
<b>LOSS BEFORE INCOME TAX</b>		<b>(532,359)</b>	<b>(799,005)</b>
Income tax expense		-	-
<b>LOSS FOR THE HALF YEAR</b>		<b>(532,359)</b>	<b>(799,005)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other Comprehensive Loss, Net of Tax			
Exchange differences on translation of foreign operations		(135,352)	(49,415)
<b>TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR</b>		<b>(667,711)</b>	<b>(848,420)</b>
<b>LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>			
Basic and diluted loss per share (cents)	5	(0.31)	(0.55)

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## as at 31 December 2020

	Note	31 Dec 20 \$	30 Jun 20 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	4,549,549	3,241,161
Financial assets at fair value through profit or loss	7	203,664	164,083
Receivables		203,583	57,494
Other current assets		35,238	5,833
<b>TOTAL CURRENT ASSETS</b>		<b>4,992,034</b>	<b>3,468,571</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	9	2,894,117	1,016,713
Property, plant and equipment		4,033	4,158
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,898,150</b>	<b>1,020,871</b>
<b>TOTAL ASSETS</b>		<b>7,890,184</b>	<b>4,489,442</b>
<b>CURRENT LIABILITIES</b>			
Payables		508,969	244,412
Provisions		18,839	9,961
<b>TOTAL CURRENT LIABILITIES</b>		<b>527,808</b>	<b>254,373</b>
<b>TOTAL LIABILITIES</b>		<b>527,808</b>	<b>254,373</b>
<b>NET ASSETS</b>		<b>7,362,376</b>	<b>4,235,069</b>
<b>EQUITY</b>			
Issued capital	10	154,779,314	151,049,893
Reserves	11	14,996,206	15,065,961
Accumulated losses		(162,413,144)	(161,880,785)
<b>TOTAL EQUITY</b>		<b>7,362,376</b>	<b>4,235,069</b>

The accompanying notes form part of these consolidated financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the half year ended 31 December 2020

	Issued capital	Currency translation reserve	Share-based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>CONSOLIDATED</b>					
<b>BALANCE AT 1 JUL 2019</b>	<b>148,439,925</b>	<b>1,841,075</b>	<b>13,233,026</b>	<b>(160,479,072)</b>	<b>3,034,954</b>
Loss for the half year	-	-	-	(799,005)	(799,005)
Other comprehensive loss	-	(49,415)	-	-	(49,415)
<b>Total comprehensive loss for the half year</b>	<b>-</b>	<b>(49,415)</b>	<b>-</b>	<b>(799,005)</b>	<b>(848,420)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares	10 981,000	-	-	-	981,000
Cost of issued shares	10 (58,861)	-	-	-	(58,861)
<b>BALANCE AT 31 DEC 2019</b>	<b>149,362,064</b>	<b>1,791,660</b>	<b>13,233,026</b>	<b>(161,278,077)</b>	<b>3,108,673</b>
<b>CONSOLIDATED</b>					
<b>BALANCE AT 1 JUL 2020</b>	<b>151,049,893</b>	<b>1,832,935</b>	<b>13,233,026</b>	<b>(161,880,785)</b>	<b>4,235,069</b>
Loss for the half year	-	-	-	(532,359)	(532,359)
Other comprehensive loss	-	(135,352)	-	-	(135,352)
<b>Total comprehensive loss for the half year</b>	<b>-</b>	<b>(135,352)</b>	<b>-</b>	<b>(532,359)</b>	<b>(667,711)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issue of shares	10 4,000,000	-	-	-	4,000,000
Cost of issued shares	10 (270,579)	-	-	-	(270,579)
Share based payments	11 -	-	65,597	-	65,597
<b>BALANCE AT 31 DEC 2020</b>	<b>154,779,314</b>	<b>1,697,583</b>	<b>13,298,623</b>	<b>(162,413,144)</b>	<b>7,362,376</b>

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the half year ended 31 December 2020

		31 Dec 20	31 Dec 19
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(436,821)	(594,120)
Payments for exploration and evaluation		(1,918,922)	(392,477)
Other receipts		50,000	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b><u>(2,305,743)</u></b>	<b><u>(986,597)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		887	8,258
Dividends received		890	5,337
Payment for share investments		-	(144,110)
Proceeds from realisation of share investments		-	1,005,744
Payment for purchases of plant and equipment		(821)	(3,083)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b><u>956</u></b>	<b><u>872,146</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares	10	4,000,000	981,000
Cost of issuing shares	10	(270,579)	(58,861)
Issue of broker options	11	65,597	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b><u>3,795,018</u></b>	<b><u>922,139</u></b>
<b>NET DECREASE IN CASH HELD</b>		<b>1,490,231</b>	<b>807,688</b>
Cash and cash equivalents at beginning of financial half year		3,241,161	1,289,411
Effect of exchange rate changes on cash held		(181,843)	(58,266)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR</b>	<b>6</b>	<b><u>4,549,549</u></b>	<b><u>2,038,833</u></b>

The accompanying notes form part of these consolidated financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 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 2020 to the date of this report.

#### 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 2020.

#### 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.

#### Impact on Application

The adoption of the standards has not had a quantitatively material impact on the interim financial statements of the Consolidated Entity as at 31 December 2020.

### 2. REVENUE

	31 Dec 20	31 Dec 19
The Consolidated Entity's operating loss before income tax includes the following items of revenue:	\$	\$
<b>Revenue</b>		
Interest revenue	887	8,258
	<hr/> 887	<hr/> 8,258
<b>Other</b>		
Dividend revenue	890	5,337
Other income	50,000	-
Net gain on financial assets at fair value through profit or loss	39,580	-
	<hr/> <b>91,357</b>	<hr/> <b>13,595</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

3. EXPENSES	31 Dec 20	31 Dec 19
	\$	\$
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
Exploration and evaluation expenses		
Impairment loss	372	170,919
Other exploration and evaluation expenses	11,742	3,973
Personnel expenses	242,263	261,627
Occupancy expenses	24,585	61,424
Finance expenses	2,558	1,807
Corporate expenses		
Professional fees	40,926	8,964
ASX and CHESSE fees	44,320	32,138
ASIC fees	2,999	1,934
Accounting and taxation	82,968	84,162
Audit	4,000	4,000
Share registry	11,774	4,231
Other corporate expenses	7,700	4,044
Foreign exchange loss	46,490	8,852
Administration expenses		
Insurance	18,538	9,539
Office administration	21,368	34,141
Travel, accommodation and incidentals	300	35,876
Depreciation	945	1,339
Other administration expenses	59,868	43,642
	<b>623,716</b>	<b>812,600</b>

### 4. SEGMENT INFORMATION

31 Dec 20	Australia \$	Peru \$	Argentina \$	Total \$
Revenue	887	-	-	887
Other	90,470	-	-	90,470
<b>Total segment revenues</b>	<b>91,357</b>	<b>-</b>	<b>-</b>	<b>91,357</b>
Exploration and evaluation expenditure	4,809	7,305	-	12,114
Personnel expenses	242,263	-	-	242,263
Corporate expenses	173,204	21,483	-	194,687
Finance expenses	1,006	1,552	-	2,558
Depreciation expense	945	-	-	945
Other expenses	138,933	32,216	-	171,149
<b>Total segment loss</b>	<b>(469,803)</b>	<b>(62,556)</b>	<b>-</b>	<b>(532,359)</b>
<b>Adjusted EBITDA</b>	<b>(470,748)</b>	<b>(62,556)</b>	<b>-</b>	<b>(533,304)</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 4. SEGMENT INFORMATION (continued)

	Australia \$	Peru \$	Argentina \$	Total \$
<b>31 Dec 20</b>				
<b>Total segment assets</b>	<b>7,234,014</b>	<b>57,396</b>	<b>598,774</b>	<b>7,890,184</b>
<b>Total segment liabilities</b>	<b>343,152</b>	<b>61,224</b>	<b>123,432</b>	<b>527,808</b>
<b>31 Dec 19</b>				
Revenue	8,258	-	-	8,258
Other	5,337	-	-	5,337
<b>Total segment revenues</b>	<b>13,595</b>	<b>-</b>	<b>-</b>	<b>13,595</b>
Net loss on financial assets at fair value through profit or loss	39,988	-	-	39,988
Exploration and evaluation expenditure	43,459	1,962	129,471	174,892
Personnel expenses	261,627	-	-	261,627
Corporate expenses	117,644	55,970	-	173,614
Finance expenses	1,435	372	-	1,807
Depreciation expense	1,339	-	-	1,339
Other expenses	113,964	45,369	-	159,333
<b>Total segment loss</b>	<b>(565,861)</b>	<b>(103,673)</b>	<b>(129,471)</b>	<b>(799,005)</b>
<b>Adjusted EBITDA</b>	<b>(567,200)</b>	<b>(103,673)</b>	<b>(129,471)</b>	<b>(800,344)</b>
<b>30 Jun 20</b>				
<b>Total segment assets</b>	<b>4,097,391</b>	<b>48,194</b>	<b>343,857</b>	<b>4,489,442</b>
<b>Total segment liabilities</b>	<b>152,100</b>	<b>102,273</b>	<b>-</b>	<b>254,373</b>

### 5. LOSS PER SHARE

	31 Dec 20 cents	31 Dec 19 cents
Basic and diluted loss per share	(0.31)	(0.55)

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

	Shares	Shares
Net loss after income tax	(667,711)	(848,420)
Weighted average number of ordinary shares	213,873,398	155,281,263

### 6. CASH AND CASH EQUIVALENTS

	31 Dec 20 \$	30 Jun 20 \$
Cash at bank	999,373	3,191,068
Term deposits	3,550,176	50,093
	<b>4,549,549</b>	<b>3,241,161</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

<b>7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>31 Dec 20</b>	<b>30 Jun 20</b>
	\$	\$
Listed securities at fair value	203,664	164,083

### 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).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value				
<b>31 Dec 20</b>	203,664	-	-	<b>203,664</b>
<b>30 Jun 20</b>	164,083	-	-	<b>164,083</b>

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

#### (a) Valuation techniques

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

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

<b>(b) Fair values of other financial assets and liabilities</b>		<b>31 Dec 20</b>	<b>30 Jun 20</b>
	<b>Note</b>	\$	\$
Cash and cash equivalents	6	4,549,549	3,241,161
Receivables		203,583	57,494
		4,753,132	3,298,655
Payables		(508,969)	(244,412)
		4,244,163	3,054,243

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

9. EXPLORATION AND EVALUATION EXPENDITURE	31 Dec 20	30 Jun 20
	\$	\$
Opening balance	1,016,713	348,956
Exploration and evaluation costs	1,877,776	856,242
Impairment loss	(372)	(188,485)
<b>Closing balance</b>	<b>2,894,117</b>	<b>1,016,713</b>

### 10. ISSUED CAPITAL

247,134,268 (30 June 2020: 207,134,268) fully paid ordinary shares	<b>151,049,893</b>	<b>151,049,893</b>
--	--------------------	--------------------

		Number of shares	\$
<b>Movement in fully paid ordinary shares</b>	<b>Date of issue</b>		
<b>At 1 Jul 2019</b>		145,334,268	148,439,925
Issue of shares at 4.5 cents	18-Jul-19	21,800,000	981,000
Cost of share issue			(58,861)
Issue of shares at 4.5 cents	5-Jun-20	40,000,000	1,800,000
Cost of share issue			(112,171)
<b>At 30 Jun 2020</b>		<b>207,134,268</b>	<b>151,049,893</b>
Issue of shares at 10 cents	1-Dec-20	40,000,000	4,000,000
Cost of share issue			(270,579)
<b>At 31 Dec 2020</b>		<b>247,134,268</b>	<b>154,779,314</b>

11. RESERVES	31 Dec 20	30 Jun 20
	\$	\$
Share-based payments reserve	13,298,623	13,233,026
Foreign currency translation reserve	1,697,583	1,832,935
	<b>14,996,206</b>	<b>15,065,961</b>
<b>Movement in share-based payments reserve</b>		
<b>Opening balance</b>	13,233,026	13,233,026
Consideration paid on issue of options	17	-
Valuation of options (refer to Note 13)	65,580	-
<b>Closing balance</b>	<b>13,298,623</b>	<b>13,233,026</b>

#### (a) Share-based payments reserve

The share-based payments reserve records the consideration (net of expenses) received by the Company on the issue of options. In relation to options issued to Directors and personnel for nil consideration, the fair value of these options are included in the share-based payments reserve.

#### (b) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve as described in the accounting policy note below and accumulate in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 12. SHARE-BASED PAYMENTS

The Consolidated Entity has the following share-based payment arrangements:

Grant date	Expiry date	Fair value at issue date (\$)	Exercise price (\$)	Opening balance	During the period			Closing balance	Vested and exercisable at period end
					Granted	Exercised	Cancelled		
<b>Financial year 2021</b>									
01-Dec-20	30-Nov-23	0.125	0.150	-	1,000,000	-	-	1,000,000	1,000,000
04-Dec-20	03-Dec-23	0.130	0.185	-	12,000,000	-	-	12,000,000	-
24-Dec-20	23-Dec-23	0.140	0.210	-	1,500,000	-	-	1,500,000	-
				-	14,500,000	-	-	14,500,000	1,000,000
Weighted average exercise price (\$)				-	0.06			0.06	

The following options were issued during the financial half year:

- (a) 1,000,000 Broker's options which were granted on 1 December 2020 for a total consideration of \$16.67, with an exercise price of \$0.15. The expiry date of these options is 30 November 2023.
- (b) A total of 12,000,000 Directors' options were granted on 4 December 2020 with an exercise price of \$0.185, expiring on 3 December 2023. Shareholder approvals were obtained as required under the Corporations Act 2001 and under the ASX Listing Rules on 4 December 2020. The vesting conditions for these options are as follows:
- two-thirds of the options will vest upon the attainment of Milestone 1 - the receipt of proceeds of sale from the shipment of the first 100,000 tonnes of iron ore mined from the consolidated entity's Paulsens East Iron Ore Project.
  - one-thirds of the options will vest upon the attainment of Milestone 2 - the receipt of proceeds of sale from the shipment of the first 1,000,000 tonnes of iron ore mined from the consolidated entity's Paulsens East Iron Ore Project.
- (b) A total of 1,500,000 Securities Incentive Plan (SIP) options were granted to a personnel on 24 December 2020 with an exercise price of \$0.21, expiring on 23 December 2023. The vesting conditions for these options are as follows:
- two-thirds of the options will vest upon the attainment of Milestone 1 - the receipt of proceeds of sale from the shipment of the first 100,000 tonnes of iron ore mined from the consolidated entity's Paulsens East Iron Ore Project.
  - one-thirds of the options will vest upon the attainment of Milestone 2 - the receipt of proceeds of sale from the shipment of the first 1,000,000 tonnes of iron ore mined from the consolidated entity's Paulsens East Iron Ore Project.

The fair value of these options are expensed over the period from their date of grant to their respective vesting dates. The fair value is calculated using a Black-Scholes options valuation model with an assumed volatility rate of 90% for the underlying shares in the Company.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 13. 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 have agreed to share payment of the lease costs (including outgoings).

#### Exceptions to lease accounting

The Consolidated Entity has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Consolidated Entity recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (b) Mineral Tenements/Concessions - Commitments for Expenditure

##### (i) Australian Tenements

The Consolidated Entity is required to pay rates, rent and other annual fees to relevant Regulatory Authorities of the State (and Local) Government and meet minimum annual expenditure commitments (subject to successful applications for exemption in relation thereto) in order to maintain rights of tenure over its granted Australian mining tenements. The total amount of these commitments will depend upon the number and area of granted mining tenements held/retained, the length of time of each tenement held and whether and to what extent the Consolidated Entity has been successful in obtaining exemption(s) from meeting annual expenditure commitments.

##### (ii) Peruvian Mineral Concessions

The Consolidated Entity is required to pay annual licence fees to the Peruvian Government in respect of its granted Peruvian mineral concessions. The total amount of this commitment will depend upon the number and area of concessions held/retained and the length of time of each concession held.

##### (iii) Argentinian Tenements

The Consolidated Entity is required to pay a licence and other annual fees to relevant Regulatory Authorities of the Argentine (and or regional/provincial) Government in respect of mineral concessions held in Argentina. The total amount of this commitment will depend upon, inter alia, the number and area of concessions held/retained and the length of time of each concession held.

### 14. CONTINGENCIES

#### (a) 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.

#### (b) 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 (Mining Lease ML 47/1583) 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.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 14. CONTINGENCIES (continued)

#### (c) Australian Native Title

The Consolidated Entity's tenements in Australia are (or may in the future be) subject to native title rights of the traditional owners under the *Native Title Act 1993 (Cth)*. Save as disclosed in Note 14 (e), it is not possible to quantify the impact that native title may have on the operations of the Consolidated Entity in relation to these tenements.

#### (d) Government Royalties

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

#### (e) Native Title Mining Agreement

On 14 August 2020, the Consolidated Entity entered into a Native Title Mining Agreement (**Native Title Agreement**) with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**). The PKKPAC holds native title on trust for the benefit of the Puutu Kuntj Kurrama and Pinikura People (**PKKP**), the traditional owners of the land on which the Consolidated Entity's Paulsens East Iron Ore Project is located in the West Pilbara region of Western Australia. The Native Title Agreement provides an agreed framework for Strike to undertake its mining activities (that minimises the impact on Aboriginal Cultural Heritage with safeguards for the care and protection of the lands and rights of the PKKP) and includes a package of financial and business development related benefits for the PKKP, including upfront and milestone payments, a production payment based on the value of iron ore sales, an annual training and development allowance and opportunities for PKKP members to contract for the provision of certain support operations related to the Paulsens East Iron Ore Project.

#### (f) 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.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the half year ended 31 December 2020

### 14. CONTINGENCIES (continued)

#### (g) 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.

#### (h) 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 is entitled to make a series of payments in cash and (at the election of the Consolidated Entity, shares) over 4 years totaling US\$6,590,000 to the Owner according to the schedule below:

Hananta's Payments to the Owner	Cash US\$	Cash or Shares US\$	Total US\$
On execution of the Agreement (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
<b>Total</b>	<b>3,840,000</b>	<b>2,750,000</b>	<b>6,590,000</b>

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 convert 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.

### 15. 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 2020 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

15 March 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
STRIKE RESOURCES LIMITED

**Report on the Review of the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Strike Resources Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-Year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.





### ***Directors' Responsibility for the Half-Year Financial Report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

### ***Auditor's Responsibility for the Review of the Half-Year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.

**Rothsay Auditing**

Dated 15 March 2021

**Daniel Dalla  
Partner**

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# LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at 31 December 2020 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
Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010	11102187

## Solaroz Lithium 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 Iron Ore Project (Western Australia)

(Strike – 100%)

Tenement No.	Grant Date	Expiry Date	Area (Ha)	Area (km <sup>2</sup> )
Mining Lease M 47/1583	4/9/2020	3/9/2041	381.87	~3.82
Misc. Licence L 47/927	12/11/2020	11/11/2041	78.74	~0.79
Misc. Licence L 47/938	10/12/2020	9/12/2041	95.97	~0.96
Misc. Licence L 08/195	7/1/2021	6/1/2042	22.44	~0.22

## Burke Graphite Project (Queensland)

(Strike – ~76%)

Tenement No.	Grant Date	Expiry Date	Area (blocks)	Area (km <sup>2</sup> )
Burke EPM 25443	4/9/2014	3/9/2024	2 sub-blocks	~6.58
Corella EPM 25696	2/4/2015	1/4/2025	6 sub-blocks	~19.74

# JORC MINERAL RESOURCES

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at 31 December 2020 and currently:

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

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

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

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

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

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

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

## Apurimac Iron Ore Project (Peru) (Strike – 100%)

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

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

Category	Concession	Density t/m <sup>3</sup>	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
<b>Total Indicated and Inferred</b>			<b>269.4</b>	<b>57.3</b>	<b>9.4</b>	<b>2.56</b>	<b>0.04</b>	<b>0.16</b>

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

## Burke Graphite Project (Australia) (Strike – ~76%)

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

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

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 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 Strike Resources Limited on:

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

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

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

The information in the original announcement that relates to these Ore Reserves is based on and fairly represents information and supporting documentation compiled by Mr Harry Warries (MSc – Mine Engineering, FAusIMM), who is a Fellow of AusIMM. Mr Warries is the Principal of Mining Focus Consultants Pty Ltd, a Consultant to Strike Resources Limited. Mr Warries has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. 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 document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2019** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited 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 test work matters is based on and fairly represents information and supporting documentation compiled by Mr Philip Jones (BAppSc (Geol), MAIG, MAusIMM), 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 samples collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork reports. 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 announcement.

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# JORC CODE COMPETENT PERSONS' STATEMENTS

The information in this document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2020** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by Strike Resources Limited on:

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

The information in the original announcement that relates to these metallurgical test work matters is based on and fairly represents information and supporting documentation compiled by Dr Michael J Wort (FAusIMM CP(Met)), who is a Fellow of AusIMM and a Chartered Professional Engineer. Dr Wort is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS IOTC on samples collected under the direction of Dr Wort and fairly represents the information compiled by him from the ALS IOTC testwork reports. Dr Wort 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 announcement.

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 announcements made by Strike Resources Limited on:

- 14 October 2020: Discovery of High-Grade Iron Rich Detritals at Surface at Paulsens East
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource at Paulsens East

The information in the original announcements that relate to these Other Exploration Results and Exploration Targets (as applicable) is based on, and fairly represents, information and supporting documentation prepared by Mr Hem Shanker Madan (Honours and Masters Science degrees in Applied Science), who is a Member of AusIMM. Mr Madan is an independent contractor to Strike Resources Limited and was formerly the Managing Director (September 2005 to March 2010) and Chairman (March 2010 to February 2011) of Strike Resources Limited. 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 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.

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

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

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

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

- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits.

The information in the original announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to these Mineral Resources 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 document that relates to **metallurgical test work** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by 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 these metallurgical test work matters 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 AusIMM. Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who was 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.

# JORC CODE COMPETENT PERSONS' STATEMENTS

The information in this document that relates to **Exploration Results** in relation to the **ground Electro-Magnetic (EM) survey and other Exploration Results** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by 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 these 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](http://www.strikeresources.com.au) or the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code "SRK".

## FORWARD LOOKING STATEMENTS

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

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 2020

### Securities on Issue

Class of Security	Quoted on ASX	Unlisted
Fully paid ordinary shares	247,134,268	-
Broker's options (\$0.15, 30 November 2023) <sup>46</sup>	-	1,500,000
Directors' options (\$0.185, 3 December 2023) <sup>47</sup>	-	12,000,000
SIP Options (\$0.21, 23 December 2023) <sup>48</sup>	-	1,500,000
<b>Total</b>	<b>247,134,268</b>	<b>15,000,000</b>

### Distribution of Fully Paid Ordinary Shares

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	352	143,729	0.058%
1,001	-	5,000	614	1,871,769	0.757%
5,001	-	10,000	369	2,985,527	1.208%
10,001	-	100,000	748	30,327,045	12.271%
100,001	-	and over	253	211,806,198	85.705%
<b>TOTAL</b>			<b>2,336</b>	<b>247,134,268</b>	<b>100.00%</b>

### Unmarketable Parcels

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,448	722	943,695	0.382%
3,449	-	over	1,614	246,190,573	99.618%
<b>TOTAL</b>			<b>2,336</b>	<b>247,134,268</b>	<b>100.00%</b>

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,448 shares or less (being a value of \$500 or less in total), based upon the Company's closing share price of \$0.145 on 31 December 2020.

46 Refer Strike's ASX Announcement dated 1 December 2020: Proposed Issue of Securities

47 Refer Strike's Notice of Annual General Meeting and Explanatory Statement (Resolutions 6 to 10) dated 20 October 2020 and released on ASX on 4 November 2020 and Strike's ASX Announcements dated 4 December 2020: Results of 2020 Annual General Meeting and 4 December 2020: Proposed Issue of Securities

48 Refer Strike's ASX Announcement dated 6 January 2021: Appendix 3G – Notification of Issue of 1.5M SIP Options

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# SECURITIES INFORMATION

## as at 31 December 2020

### Top Twenty, Ordinary Fully Paid Shareholders

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	21.27
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,754,000	10.83
3	MRS AMBREEN CHAUDHRI	10,629,063	4.30
4	ORION EQUITIES LIMITED	10,000,000	4.05
5	GOOD IMPORTING INTERNATIONAL PTY LTD	10,000,000	4.05
6	NORFOLK BLUE PTY LTD	6,500,000	2.63
7	MR ADAM WILLIAM CONNON + MRS BELINDA ANN CONNON	4,943,035	2.00
8	IRIS SYDNEY HOLDINGS PTY LTD	4,800,000	1.94
9	MR VU QUANG MINH DANG + MRS THI KIM DAU NGUYEN	3,291,405	1.33
10	MR HONGWEI YAO	2,344,515	0.95
11	BNP PARIBAS NOMINEES PTY LTD	2,122,592	0.86
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,991,760	0.81
13	MR FAROOQ KHAN + MS ROSANNA DECAMPO	1,813,231	0.73
14	ACN 139 886 025 PTY LTD	1,760,780	0.71
15	MR NISCHAL DINESH JEENA	1,670,000	0.68
16	CITICORP NOMINEES PTY LIMITED	1,545,321	0.63
17	MR ANDREW FERGUSON	1,500,000	0.61
18	MR ZHOUFENG ZHANG	1,239,556	0.50
19	MR IANAKI SEMERDZIEV	1,235,000	0.50
20	TALEX INVESTMENTS PTY LTD	1,200,000	0.49
	<b>TOTAL</b>	<b>147,893,751</b>	<b>59.87%</b>

### Substantial Shareholders

Substantial Shareholder	Registered Shareholder	Shares Held	% Voting Power
Bentley Capital Limited <sup>49</sup>	Bentley Capital Limited	52,553,493	21.27%
Windfel Properties Limited and Associate <sup>50</sup>	HSBC Custody Nominees (Australia) Limited	25,825,000	10.45%
Orion Equities Limited <sup>51</sup>	Orion Equities Limited	10,000,000	25.32%
Queste Communications Ltd <sup>52</sup>	Bentley Capital Limited	52,553,493	25.32%
	Orion Equities Limited	10,000,000	
	Bentley Capital Limited	52,553,493	

49 Refer Bentley's ASX announcement dated 1 December 2020: Change of Substantial Shareholder Notice for SRK

50 Refer Change of Substantial Holder Notice - Windfel Properties dated 3 December 2020

51 Refer Orion's ASX announcement dated 1 December 2020: Change of Substantial Shareholder Notice for SRK

52 Refer Queste's ASX announcement dated 1 December 2020: Change of Substantial Shareholder Notice: 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