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# FULL YEAR REPORT

**Directors' Report  
Auditor's Independence Declaration  
Financial Report  
Auditor's Report**

**30 JUNE 2021**

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ASX Code: SRK

Strike Resources Limited  
A.B.N. 94 088 488 724

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**ANNUAL GENERAL MEETING**

Pursuant to the ASX Listing Rules, the Company gives notice that its 2021 AGM is expected to be held on or about Thursday, 25 November 2021

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- Market Announcements
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- Corporate Governance
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**CORPORATE DIRECTORY****BOARD**

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

**COMPANY SECRETARY**

Victor Ho

**PRINCIPAL AND REGISTERED OFFICE**

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**STOCK EXCHANGE**

Australian Securities Exchange  
Perth, Western Australia

**ASX CODE**

SRK

**SHARE REGISTRY**

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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 year ended 30 June 2021 (**Balance Date**).

SRK 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 year, being wholly owned subsidiaries.

## PRINCIPAL ACTIVITIES

Strike Resources Limited is an ASX listed resource company whose principal activities during the financial year were:

- the development of the Paulsens East Iron Ore Project in Western Australia;
- the development of a small-scale direct shipping iron ore (DSO) operation in relation to the Apurimac Iron Ore Project in Peru;
- the evaluation of the larger-scale development of the Apurimac Iron Ore Project in Peru;
- the advancement of environmental approvals for an exploration programme at the Solaroz Lithium-Brine Project in Argentina;
- the evaluation of the Burke Graphite Project in Queensland; and
- the spin-out of Lithium Energy Limited (ASX:LLE) (**Lithium Energy**) (holding battery minerals assets – the Solaroz Lithium and Burke Graphite Projects) via a \$9 million initial public offering (**IPO**) and admission of Lithium Energy on ASX.

## OPERATING RESULTS

	June 2021	June 2020
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>
Total revenue	6,767,700	74,016
Total expenses	(2,907,825)	(1,475,729)
Profit/(Loss) before tax	3,859,875	(1,401,713)
Income tax expense	-	-
Profit/(Loss) after tax	3,859,875	(1,401,713)

## CASH FLOWS

	June 2021	June 2020
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>
Net cash flow from operating activities	(4,659,296)	(1,623,313)
Net cash flow from investing activities	(401,342)	1,063,496
Net cash flow from financing activities	8,540,721	2,609,968
Net change in cash held	3,480,083	2,050,151
Effect of exchange rate changes on cash held	(271,732)	(98,401)
Cash held at year end	6,449,512	3,241,161

In addition to its cash reserves, Strike held an investment portfolio of \$0.238 million comprising securities in ASX listed resource stocks (30 June 2020: \$0.164 million).

# DIRECTORS' REPORT

## FINANCIAL POSITION

<b>Consolidated</b>	<b>June 2021</b>	<b>June 2020</b>
	<b>\$</b>	<b>\$</b>
Cash	6,449,512	3,241,161
Financial assets at fair value through profit or loss	238,061	164,083
Inventory	1,353,363	-
Exploration and evaluation expenditure	3,438,629	1,016,713
Investment in Associate entity	6,532,439	-
Receivables	207,242	57,494
Other assets	416,746	9,991
Liabilities	(2,163,115)	(254,373)
<b>Net assets</b>	<b>16,472,877</b>	<b>4,235,069</b>
Issued capital	159,420,982	151,049,893
Reserves	21,657,827	15,065,961
Accumulated losses	(164,605,932)	(161,880,785)
<b>Total equity</b>	<b>16,472,877</b>	<b>4,235,069</b>

## REVIEW OF OPERATIONS

### Paulsens-East Iron Ore Project (Western Australia)

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 Onslow and ~600 kilometres by road from Port Hedland.

Strike is seeking to develop a direct shipping ore (**DSO**) operation at Paulsens East with transportation by trucks to an appropriate port location in the Pilbara.

On 30 October 2020, Strike announced the completion of a Feasibility Study (**Study**) on Paulsens East, which confirmed strong project economics based upon an assumed average Benchmark Iron Ore Price (for 62% iron ore Fines CFR China) of US\$100/tonne for a 1.5Mtpa production rate over an initial 4 year life of time (**LOM**) with DSO (lump and fines) product trucked to Port Hedland for export.<sup>1</sup>

In September 2021, Strike announced that a subsequent review of the proposed operations determined a staged approach to optimise the development of the project, with the first 400,000 tonnes of planned production to be exported through Port Hedland and subsequent production through the Port of Ashburton near Onslow (subject to receipt of necessary port and environmental permits and approvals).<sup>2</sup>

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

- Grant of a Mining Lease (M47/1583) for an initial term of 21 years<sup>3</sup>;
- Native Title Mining Agreement with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**) - the PKKPAC holds native title on trust for the benefit of the Puutu Kuntj Kurrama and Pinikura People (**PKKP**) Traditional Owners<sup>4</sup>;
- Access Agreements with Pastoral Lease and Mining Tenement stakeholders<sup>5</sup>;

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

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

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

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

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

# DIRECTORS' REPORT

- Grant of various Miscellaneous Mining Leases to facilitate and support mining operations;
- Mining Proposal (pertaining to approval to undertake mining operations on M47/1583 pursuant to mining legislation and regulations) from the WA Department of Mines, Industry Regulation and Safety (**DMIRS**)<sup>6</sup>;
- Project Management Plan (pertaining to approval of mine site occupational health and safety management systems, pursuant to mines safety legislation) from DMIRS<sup>7</sup>.
- Works Approval (pertaining to compliance with environmental legislation and regulations) from the WA Department of Water and Environmental Regulation (**DWER**);
- Native Vegetation Clearance Permits (pertaining to approvals pursuant to (including Commonwealth) environmental legislation and regulations) from DMIRS (under delegation by DWER); and
- Water licence from DWER to support the extraction and usage of water for mining operations.

Strike is currently progressing relevant necessary port and environmental permits and approvals for the Port of Ashburton, Onslow.

For further details, please refer to Strike's announcements on the Paulsens East Iron Ore Project during the financial year and subsequent to balance date:

- 13 September 2021: Paulsens East Iron Ore Mining Operation Optimised
- 2 August 2021: Mining Proposal Approved by DMIRS for Paulsens East Iron Ore
- 28 June 2021: Contractors Selected – Access Agreements Secured – Paulsens
- 20 May 2021: Strike Continues to Advance Paulsens East Towards FID
- 15 April 2021: Approval of Project Management Plan for Paulsens East Mine
- 15 March 2021: Paulsens East Advances Towards Production
- 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
- 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project
- 2 September 2020: Test Pit & Bulk Samples to Advance Offtake Completed
- 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: Paulsens High Grade Samples Confirm Resources Upside Potential

## Apurimac Iron Ore Project (Peru)

The 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.<sup>8</sup> Over A\$50 million has been invested by Strike since 2005 on acquisition, exploration, study and operational costs relating to its Peru assets, including a Pre-Feasibility Study completed in 2008<sup>9</sup> and updated in 2010<sup>10</sup> on the Apurimac Project.

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

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

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

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

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

# DIRECTORS' REPORT

Strike has been mining high-grade surface deposits of DSO material from Apurimac via the process of engagement of local miners who are permitted, under Peruvian mining legislation, to mine up to ~125,000 tonnes per annum of iron ore from a specific portion of a mining concession. Strike has engaged a number of local miners together with local trucking operators to transport such DSO from the mine site to third-party crushing plants.

Strike has executed an Offtake Agreement (for up to 300,000 tonnes per annum over a 2 year term) with an international iron ore trading company currently involved in iron ore offtake into China from various countries including Australia, Russia and South Africa. The Offtake Agreement also incorporates a US\$2 million prepayment facility (which Strike has drawn down) to fund first ore on ship<sup>11</sup>.

In August 2021, Strike's maiden 35,000 tonne shipment of Apurimac Premium Lump iron ore was exported to China<sup>12</sup> and in September 2021, Strike entered into an iron ore sale agreement with a South American steel mill for a 15,000 tonne industrial trial of Apurimac Premium Lump, with shipment scheduled for October 2021<sup>13</sup>.

On 31 August 2021, Strike announced that the Peruvian Prime Minister had confirmed the Peru Government's plans to build a railway (under a public-private partnership scheme) linking among others, Strike's Apurimac Project to the Port of San Juan de Marcona<sup>14</sup>. The Andahuaylas Railway has been the subject of a study by Ferrocarril del Sur (the Southern Railway Study Group) commissioned by the Ministry of Transportation and Communications<sup>15</sup>.

For further details, please refer to Strike's announcements on the Apurimac Iron Ore Project during the financial year and subsequent to balance date:

- 21 September 2021: Peru Iron Ore Update and Hedging Position
- 9 September 2021: Second Iron Ore Shipment from Peru
- 31 August 2021: Peruvian Prime Minister Confirms Railway Connecting Strike's Apurimac Project to Port
- 19 August 2021: Maiden Iron Ore Shipment from Peru
- 16 August 2021: Loading of Maiden Iron Ore Shipment Underway in Peru
- 28 July 2021: Maiden Iron Ore Shipment in Peru Imminent - Vessel Chartered and Ore Moving to Port for Loading
- 29 June 2021: Haulage of Iron Ore to Port Commences For First Production Shipment in Peru
- 28 May 2021: Completion of \$5 Million Capital Raising
- 14 April 2021: Peru Iron Ore Offtake Agreement with US\$2 Million Prepayment
- 18 March 2021: Iron Ore Production Ramps Up in Peru
- 28 January 2021: Advances in the Development of Apurimac Iron Ore Project

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

12 Refer Strike's ASX Announcements dated 19 August 2021: Maiden Iron Ore Shipment from Peru and 21 September 2021: Peru Iron Ore Update and Hedging Position

13 Refer Strike's ASX Announcement dated 9 September 2021: Second Iron Ore Shipment from Peru

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

15 Refer also Strike's ASX Announcements dated:

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

# DIRECTORS' REPORT

## Solaroz Lithium Project (Argentina)

Strike's 90% interest<sup>16</sup> in the Solaroz Lithium Brine Project (**Solaroz**) located within South America's 'Lithium Triangle' in North-West Argentina was included in Strike's battery minerals asset spin-out of Lithium Energy Limited (ASX:LEL) in May 2021.

## Burke Graphite Project (Queensland)

Strike's ~76.3% interest<sup>17</sup> in the Burke Graphite Project located in the Cloncurry region in North Central Queensland was included in Strike's battery minerals asset spin-out of Lithium Energy Limited (ASX:LEL) in May 2021.

## Spin-Out of Lithium Energy Limited (ASX:LEL)

Strike's spin-out company, Lithium Energy Limited (**Lithium Energy**) (ASX Code : LEL), was admitted to the Official List of ASX on 17 May 2021<sup>18</sup> and commenced quotation 19 May 2021<sup>19</sup>, after the successful completion of Lithium Energy's \$9 million (at \$0.20 per share) initial public offering (**IPO**) under a Prospectus (dated 30 March 2021<sup>20</sup>). The fully underwritten IPO (by Canaccord Genuity) was significantly oversubscribed and supported by a strong mix of institutional investors, resource focused funds, sophisticated and retail investors and significant participation by Strike shareholders, who were given a priority pro-rata entitlement under the IPO<sup>21</sup>.

The spin-out of Lithium Energy was undertaken to create a distinct battery minerals company with a clear focus on the exploration and potential development of its Lithium and Graphite assets. This was to allow Strike to focus on its iron ore assets, to bring the Paulsens East Iron Ore Project and Apurimac Iron Ore Project into production.

Lithium Energy's flagship Solaroz Brine Lithium Project (LEL:90%) (**Solaroz**) comprises 12,000 hectares of highly prospective lithium mineral tenements located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Solaroz is directly adjacent to or principally surrounded by mineral tenements being developed into production by Orocobre Limited (ASX/TSX:ORE) and Lithium Americas Corporation (TSX/NYSE:LAC). The location of Solaroz is considered to be highly strategic and prospective, particularly in light of robust demand for lithium and recent mergers and acquisitions in the sector, including the recently completed multi-billion dollar merger of Lithium Energy's neighbour, Orocobre Limited, with Galaxy Resources Limited (former ASX:GXY)<sup>22</sup>.

Lithium Energy also owns the Burke Graphite Project (LEL:100%) (**Burke**) located in Queensland which contains a high grade graphite deposit and presents the opportunity for the company to participate in the anticipated growth in demand for graphite and graphite related products (including graphene, a key additive for improving performance of lithium-ion batteries).

Strike Managing Director, William Johnson, is the Executive Chairman of Lithium Energy and Strike Executive Director, Farooq Khan, is an Executive Director of Lithium Energy.

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

17 Refer Strike's ASX Announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland; in July 2017; Strike completed its earn-in obligations to acquire a 60% interest in the Burke Graphite Project tenements; all subsequent expenditure on the project were shared in proportion to the owners' interests (with an industry standard dilution applying if a party elected not to contribute their share).

18 Refer LEL's ASX Announcement dated 17 May 2021: ASX Notice – Admission to Official List

19 Refer LEL ASX Announcement dated 19 May 2021: Lithium Energy Limited Commences Trading on ASX

20 Refer LEL ASX Announcement released on 17 May 2021: Prospectus

21 Refer Strike's ASX Announcements dated 23 March 2021: Spin-Out of Lithium and Graphite Assets - Lithium Energy Limited IPO and 7 April 2021: Lithium Energy Limited IPO Opens

22 Refer Orocobre's ASX Announcement dated 25 August 2021: Orocobre Announces FY21 Results and Implementation of Merger with Galaxy Resources

# DIRECTORS' REPORT

Strike is the largest shareholder of Lithium Energy with 34,410,000 shares (43%) (which are subject to escrow until 19 May 2023). Lithium Energy has traded within a range of 31 to 84 cents since its listing on ASX with a current share price of 59.5 cents (as at 24 September 2021).

Further information about Lithium Energy's resource projects and activities are contained in their ASX releases, including as follows:

- 30 July 2021: Quarterly Reports – 30 June 2021.

Information concerning Lithium Energy may be viewed from its website: [www.lithiumenergy.com.au](http://www.lithiumenergy.com.au)  
Lithium Energy's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "LEL".

## Quarterly Reports

Further information on the Consolidated Entity's activities and operations during the financial year are also contained in Strike's Quarterly Activities and Cash Flow Reports lodged on ASX dated:

- 2 August 2021: Quarterly Activities and Cash Flow Reports for June 2021;
- 28 April 2020: Quarterly Activities and Cash Flow Reports for March 2021;
- 1 February 2021: Quarterly Activities and Cash Flow Reports for December 2020; and
- 2 November 2020: Quarterly Activities and Cash Flow Reports for September 2020.

## DIVIDENDS

No dividends have been paid or declared during the financial year.

## CAPITAL MANAGEMENT

### Securities on Issue

The following securities are on issue as at balance date (30 June 2021):

Class of Security	Quoted on ASX	Unlisted
Fully paid ordinary shares	270,000,000	-
Broker's Options (\$0.15, 30 November 2023) <sup>23</sup>	--	1,000,000
Directors' Options (\$0.185, 3 December 2023) <sup>24</sup>	-	12,000,000
Securities Incentive Plan (SIP) Options (\$0.21, 23 December 2023) <sup>25</sup>	-	1,500,000
Broker's Options (\$0.33, 3 June 2024) <sup>26</sup>	-	1,000,000
<b>Total</b>	<b>270,000,000</b>	<b>15,500,000</b>

The SIP Options (\$0.21, 23 December 2023) lapsed on 6 August 2021 pursuant to their terms of issue.<sup>27</sup>

23 Refer Strike's ASX Announcement dated 25 November 2020: Proposed Issue of Securities

24 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

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

26 Refer Strike's ASX Announcement dated 4 June 2021: Appendix 3G – Notification of Issue of 1M Broker Options

27 Refer Strike's ASX Announcement dated 10 September 2021: Lapse of Unlisted Options

# DIRECTORS' REPORT

## Capital Raisings

In November 2020, the Company raised \$4 million (gross) through a placement of 40,000,000 shares at \$0.10 per share to professional and sophisticated investors.<sup>28</sup> The issue was completed within the Company's existing placement capacity to sophisticated or professional investors with Canaccord Genuity acting as Lead Manager to the placement.<sup>29</sup>

In June 2021, the Company raised approximately \$5 million (gross) through a placement of 22,865,732 shares at \$0.22 per share.<sup>30</sup> The fund raising was to ramp-up iron ore production activities at Apurimac in Peru and to advance the development of the Paulsens East Iron Ore Project (including the securing of long lead time items). The issue was completed within the Company's placement capacity (approved at the General Meeting held on 17 March 2021) to sophisticated or professional investors with Canaccord Genuity acting as Lead Manager to the placement.<sup>31</sup>

## Option Issues

The following unlisted options were issued during the financial year:

Class of Unlisted Options	Exercise Price	Expiry Date	Number of options
Broker's options (\$0.15, 30 November 2023) <sup>32</sup>	\$0.15	30 November 2023	1,000,000
Directors' options (\$0.185, 3 December 2023) <sup>33</sup>	\$0.185	3 December 2023	12,000,000
SIP Options (\$0.21, 23 December 2023) <sup>34</sup>	\$0.21	23 December 2023	1,500,000
Broker's options (\$0.33, 3 June 2024) <sup>35</sup>	\$0.33	3 June 2024	1,000,000
<b>Total</b>			<b>15,500,000</b>

The Broker's Options were issued as part of the remuneration of Canaccord, as Lead Manager to capital raisings undertaken (referred to above).<sup>32,35</sup>

The Directors' Options were issued to the Directors after receipt of shareholder approval at the Company's Annual General Meeting (AGM) held on 4 December 2020.<sup>33</sup>

The SIP Options were issued pursuant to an invitation made to an 'Eligible Participant' under the Company's Securities Incentive Plan (refer below).<sup>34</sup> The SIP Options lapsed on 6 August 2021 pursuant to their terms of issue.<sup>36</sup>

## Securities Incentive Plan

After a review of the 2012 Employee Long-Term Incentive Plan<sup>37</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.

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

29 Refer Strike's ASX Announcements dated 1 December 2020: Appendix 2A – Application for Quotation of 40M Shares, 1 December 2020: Update - Proposed Issue of Securities – SRK, 1 December 2020: Proposed Issue of Securities – SRK, 1 December 2020: Update - Proposed Issue of Securities – SRK

30 Refer Strike's ASX Announcements dated 28 May 2021: Completion of \$5 Million Capital Raising and 4 June 2021: Appendix 2A – Application for Quotation of 22,865,732 Shares

31 Refer Strike's ASX Announcement dated 28 May 2021: Proposed Issue of Securities – SRK

32 Refer Strike's ASX Announcement dated 25 November 2020: Proposed Issue of Securities

33 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

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

35 Refer Strike's ASX Announcement dated 4 June 2021: Appendix 3G – Notification of Issue of 1M Broker Options

36 Refer Strike's ASX Announcement dated 10 September 2021: Lapse of Unlisted Options

37 Refer Strike's ASX Announcement dated 22 November 2012: Results of Annual General Meeting

# DIRECTORS' REPORT

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 (which includes a share, a right to a share, an option over an issued or unissued security and a 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.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, Strike's 90% interest in the Solaroz Lithium Project (Argentina) and ~76.5% interest Burke Graphite Project (Queensland) were spun-out via the IPO and listing of Lithium Energy Limited (ASX:LEL).<sup>18-21</sup>

The Directors note that the COVID-19 pandemic has had (and will continue to have in the foreseeable future) an effect on the Consolidated Entity's operations, particularly in Peru (impacting the Apurimac Iron Ore Project) with a lesser effect in Western Australia (impacting the Paulsens East Iron Ore Project), including but not limited to the consequences of Government imposed (international and national/local) travel restrictions and lockdowns/shutdowns. There have been no other significant changes in the state of affairs of the Consolidated Entity save as otherwise disclosed in this Directors' Report or the financial statements and notes thereto.

## FUTURE DEVELOPMENTS

The Consolidated Entity will continue to:

- advance the development of the Paulsens East Iron Ore Project in Western Australia;
- advance the development of the small-scale direct shipping iron ore (DSO) operation in relation to the Apurimac Iron Ore Project in Peru; and
- advance the evaluation of the larger-scale development of the Apurimac Iron Ore Project in Peru.

The likely outcomes of these activities depend on a range of technical and economic factors (including underlying commodity prices) and also industry, geographic and other strategy specific issues (including the impacts of the COVID-19 pandemic). In the opinion of the Directors, it is not possible or appropriate to make a prediction on the results of these activities, the future course of markets or the forecast of the likely results of the Consolidated Entity's activities.

## ENVIRONMENTAL REGULATION

The Consolidated Entity holds mineral tenements/concession licences issued by the relevant mining and environmental protection authorities of the various countries in which it operates (from time to time). In the course of its mineral exploration, evaluation and development activities, the Consolidated Entity adheres to licence conditions and environmental regulations imposed upon it by various authorities (as applicable). The Consolidated Entity has complied with all licence conditions and environmental requirements (as applicable) during the financial year and up to the date of this report. There have been no known material breaches of the Consolidated Entity's licence conditions and environmental regulations during the financial year and up to the date of this report.

# DIRECTORS' REPORT

## BOARD OF DIRECTORS

<b>Farooq Khan</b>	<b>Executive 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>	Farooq 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 shares and options</i>	1,813,231 shares (held jointly) 3,750,000 Directors' options (\$0.185, 3 December 2023) <sup>38</sup>
<i>Other current directorships in listed entities</i>	Executive Chairman of: Orion Equities Limited (ASX:OEQ) (since 23 October 2006) Bentley Capital Limited (ASX:BEL) (since 2 December 2003)  Executive Chairman and Managing Director of: Queste Communications Ltd (ASX:QUE) (since 10 March 1998)  Executive Director of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former directorships in other listed entities in past 3 years</i>	Keybridge Capital Limited (ASX:KBC) (alternate Director from 26 June to 18 July 2019)

<b>William Johnson</b>	<b>Managing Director</b>
<i>Appointed</i>	25 March 2013; Director since 14 July 2006
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 35-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 shares and options</i>	349,273 shares (held jointly) 4,500,000 Directors' options (\$0.185, 3 December 2023) <sup>39</sup>
<i>Other current directorships in listed entities</i>	Executive Director of Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009)  Executive Chairman of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former directorships in other listed entities in past 3 years</i>	Molopo Energy Limited (former ASX:MPO) (31 May 2018 to 26 May 2021) Keybridge Capital Limited (ASX:KBC) (29 July 2016 to 17 April 2020) Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

38 Refer Strike's ASX Announcement dated 20 January 2021: Change of Director's Interest Notice – F Khan

39 Refer Strike's ASX Announcement dated 20 January 2021: Change of Director's Interest Notice – W Johnson

# DIRECTORS' REPORT

<b>Malcolm Richmond</b>	<b>Non-Executive Director</b>
<i>Appointed</i>	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>	<p>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.</p> <p>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.</p> <p>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 &amp; Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).</p>
<i>Special responsibilities</i>	Chairman of the Audit Committee Member of the Remuneration and Nomination Committee
<i>Relevant Interests in shares and options</i>	750,000 Directors' options (\$0.185, 3 December 2023) <sup>40</sup>
<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>	None

<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>	<p>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&amp;A and individual investments. As a Technology Analyst at Credit Suisse, he was ranked #1 in the Extell and Institutional Investor surveys 8 times.</p>
<i>Special responsibilities</i>	Chairman of the Remuneration and Nomination Committees Member of the Audit Committee
<i>Relevant Interests in shares and options</i>	750,000 Directors' options (\$0.185, 3 December 2023) <sup>41</sup>
<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

40 Refer Strike's ASX Announcement dated 20 January 2021: Change of Director's Interest Notice – M Richmond

41 Refer Strike's ASX Announcement dated 20 January 2021: Change of Director's Interest Notice – M Hammond

# DIRECTORS' REPORT

<b>Victor Ho</b>	<b>Executive Director and Company Secretary</b>
<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 22 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 shares and options</i>	2,250,000 Directors' options (\$0.185, 3 December 2023) <sup>42</sup>
<i>Other positions held 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) Company Secretary of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
<i>Former position in other listed entities in past 3 years</i>	Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019)

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42 Refer Strike's ASX Announcement dated 20 January 2021: Appendix 3Y – Change of Director's Interest Notice – V Ho

# DIRECTORS' REPORT

## DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company:

Name of Director	Board Meetings		Audit Committee		Remuneration Committee	
	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings
Farooq Khan	17	17	2	2	-	-
William Johnson	17	17	-	-	-	-
Malcolm Richmond	17	17	2	2	-	-
Matthew Hammond	16	17	1	2	-	-
Victor Ho <sup>(a)</sup>	17	17	2	2	-	-

Notes:

(a) Mr Ho attended Audit Committee meetings as Secretary of the Audit Committee

### Audit Committee

The Audit Committee comprises Malcolm Richmond (as Chairman), Farooq Khan and Matthew Hammond.

The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. Its function includes reviewing and approving the audited annual and reviewed half-yearly financial reports, ensuring a risk management framework is in place, reviewing and monitoring compliance issues, reviewing reports from management and matters related to the external auditor.

A copy of the Audit Committee Charter may be downloaded from the Company's website: [www.strikeresources.com.au/corporate/corporate-governance/](http://www.strikeresources.com.au/corporate/corporate-governance/).

### Remuneration and Nomination Committee

The Remuneration and Nomination Committee currently comprises Matthew Hammond (as Chairman), Farooq Khan and Malcolm Richmond.

The Remuneration and Nomination Committee has a formal charter to prescribe its purpose, key responsibilities, composition, membership requirements, powers and other administrative matters. The Committee has a:

- Remuneration function - with key responsibilities to make recommendations to the Board on policy governing the remuneration benefits of the Managing Director and Executive Directors, including equity-based remuneration and assist the Managing Director to determine the remuneration benefits of senior management and advise on those determinations; and a
- Nomination function - with key responsibilities to make recommendations to the Board as to various Board matters including the necessary and desirable qualifications, experience and competencies of Directors and the extent to which these are reflected in the Board, the appointment of the Chairman and Managing Director, the development and review of Board succession plans and addressing Board diversity.

A copy of the Remuneration and Nomination Committee Charter may be downloaded from the Company's website: [www.strikeresources.com.au/corporate/corporate-governance/](http://www.strikeresources.com.au/corporate/corporate-governance/).

# REMUNERATION REPORT

This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of the Company.

The information provided under headings (1) to (8) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

## (1) Key Management Personnel disclosed in this report

Name	Current Position	Tenure
Farooq Khan	Chairman	Chairman since 18 December 2015; Director since 1 October 2015
William Johnson	Managing Director	Managing Director since 25 March 2013; Director since July 2006
Victor Ho	Director and Company Secretary	Director since 24 January 2014; Company Secretary since 30 September 2015
Malcolm Richmond	Non-Executive Director	Director since 25 October 2006; Previously, Chairman between 3 February 2011 and 18 December 2015
Matthew Hammond	Non-Executive Director	Since 25 September 2009

## (2) Remuneration Policy

The Board (with guidance from the Remuneration and Nomination Committee) determines the remuneration structure of all Key Management Personnel having regard to the Consolidated Entity's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, market practice (including available data concerning remuneration paid by other listed companies in particular companies of comparable size and nature within the resources sector in which the Consolidated Entity operates), the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

**The Remuneration and Nomination Committee:** A purpose of the Committee is to assist the Managing Director and the Board to adopt and implement a remuneration system that is required to attract, retain and motivate the personnel who will enable the Company to achieve long-term success. In carrying out this 'remuneration function', the Committee's key responsibilities are to:

- make recommendations to the Board on the specific benefits to be provided to the Managing Director within the policy
- conduct an annual review of Non-Executive Directors' fees and determining whether the limit on the Non-Executive Directors' fee pool remains appropriate, and
- assist the Managing Director to determine the remuneration (including equity-based remuneration) of 'Senior Management' (being executive direct reports to the Managing Director and other senior employees) and advise on those determinations.

A copy of the Remuneration and Nomination Committee Charter may be downloaded from the Company's website: [www.strikeresources.com.au/corporate/corporate-governance/](http://www.strikeresources.com.au/corporate/corporate-governance/).

**Corporate Governance Principles:** The Company's Corporate Governance Statement (**CGS**) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest version of the CGS may be downloaded from the Company's website: [www.strikeresources.com.au/corporate/corporate-governance/](http://www.strikeresources.com.au/corporate/corporate-governance/).

**Company Constitution:** The Company's Constitution<sup>43</sup> also contain provisions in relation to the remuneration of the Managing Director, Executive Directors and Non-Executive Directors.

43 Refer Strike's ASX Announcement released on 1 February 2006: Constitution

# REMUNERATION REPORT

**Fixed Cash Short-term Employment Benefits:** The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company can be paid a maximum aggregate base remuneration of \$500,000<sup>44</sup> per annum inclusive of employer superannuation contributions where applicable, in such quantum and to be divided as the Board determines appropriate.

The Board has determined the following fixed cash remuneration for current Key Management Personnel as follows (as at 30 June 2021):

- (a) Mr Farooq Khan (Chairman) - a base salary of \$175,000 per annum plus employer superannuation contributions;
- (b) Mr William Johnson (Managing Director) - a base salary of \$300,000 per annum plus employer superannuation contributions;
- (c) Mr Victor Ho (Director and Company Secretary) - a base salary of \$175,000 per annum plus employer superannuation contributions;
- (d) Mr Malcolm Richmond (Non-Executive Director) - a base fee of \$45,000 per annum plus employer superannuation contributions; and
- (e) Mr Matthew Hammond (Non-Executive Director) - a base fee of \$45,000 per annum.

**Special Exertions and Reimbursements:** Pursuant to the Company's Constitution, each Director is also entitled to receive:

- Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

**Short-Term Benefits:** Relevant Key Management Personnel have an opportunity to earn annual short-term incentive (**STI**) cash amounts if predefined key performance indicators (**KPI's**) are achieved. The STI/KPI's are reviewed annually (where applicable). The Company has defined the payment of STI's to the Managing Director and Executive Directors subject to the attainment of a defined performance and time milestone) as part of their remuneration - refer 'Short-Term Benefits' in Section (5) below.

**Long-Term Benefits:** The Company does not have any long-term incentive (**LTI**) cash bonus schemes (or equivalent) in place for Key Management Personnel. The Company reserves the right to implement LTI remuneration measures for Key Management Personnel if appropriate in the future.

**Equity-Based Benefits:** The Company has granted a total of 12,000,000 unlisted Directors' Options (each with an exercise price of \$0.185, an expiry date of 3 December 2023 and subject to vesting conditions in tranches based on the attainment of defined milestones) to the Directors as part of their remuneration - refer 'Equity-Based Benefits' in Section (6) below. There were no shares issued as a result of the exercise of options issued to Key Management Personnel during the financial year. The Company may propose the issue of securities to Key Management Personnel in the future (as an equity-based incentive benefit), which will be put to shareholders for approval at that time (as required under the ASX Listing Rules and/or Corporations Act, as applicable).

**Securities Incentive Plan:** After a review of the 2012 Employee Long-Term Incentive Plan<sup>45</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.

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<sup>44</sup> As approved by shareholders at the Annual General Meeting held on 25 November 2009; refer Strike's Notice of Annual General Meeting released on ASX on 27 October 2009 and Strike's ASX Announcement dated 25 November 2009: Results of Annual General Meeting

<sup>45</sup> 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

# REMUNERATION REPORT

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 – not limited to Key Management Personnel);
- (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 (which includes a share, a right to a share, an option over an issued or unissued security and a 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.

The Company has granted a total of 1,500,000 unlisted SIP Options (each with an exercise price of \$0.215, an expiry date of 23 December 2023 and subject to vesting conditions in tranches based on the attainment of defined milestones) to personnel (not a Key Management Personnel) as part of their remuneration - refer 'Equity-Based Benefits' in Section (6) below. These SIP Options lapsed on 6 August 2021 pursuant to their terms of issue.<sup>46</sup>

**Post-Employment Benefits:** The Company does not presently provide retirement benefits to Key Management Personnel. The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

**Performance-Related Benefits and Financial Performance of Company:** Save for any applicable STI(s), LTI(s) or equity-based benefits that may be provided to Key Management Personnel, the remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

In considering the Company's performance and its effects on shareholder wealth, Directors have had regard to the data set out below for the latest financial year and the previous four financial years.

	2021	2020	2019	2018	2017
Profit/(Loss) Before Income Tax	3,859,875	(1,401,713)	(1,875,093)	(681,614)	(1,147,929)
Basic Earnings/(Loss) per share (cents)	1.59	(0.83)	(1.22)	(0.47)	(0.79)
Dividends Paid (total)	-	-	-	-	-
Dividends Paid (per share)	-	-	-	-	-
Capital Returns Paid (total)	-	-	-	-	-
Capital Returns Paid (per share)	-	-	-	-	-
VWAP Share Price on ASX for financial year (\$)	0.176	0.051	0.074	0.066	0.053
Closing Bid Share Price on ASX at 30 June (\$)	0.265	0.045	0.045	0.053	0.042

<sup>46</sup> Refer Strike's ASX Announcement dated 10 September 2021: Lapse of Unlisted Options

# REMUNERATION REPORT

## (3) Employment Agreements

Details of the material terms of employment agreements entered by the Company with Key Management Personnel are as follows:

Key Management Personnel and Position Held	Relevant Date(s)	Current Base Remuneration	Other Current Terms
William Johnson (Managing Director)	22 April 2013 (date of employment agreement)  11 March 2013 (commencement date)  1 January 2021 (date of effect of current remuneration)	\$300,000  plus employer superannuation contributions (9.5% of base salary for 2020/21 and 10% from 1 July 2021)	<ul style="list-style-type: none"> <li>No fixed term or fixed rolling terms of service.</li> <li>Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.</li> <li>Six month's notice of termination by executive. Company may terminate without notice with payment of six month's salary. Immediate termination without notice and without payment in lieu of notice if executive commits any serious act of misconduct.</li> <li>Save with the agreement of the Board, permitted to be a Non-Executive Director of no more than 2 public companies provided that it does not compromise ability to devote the care and attention to the Company's affairs required by the position.</li> <li>Entitlement to cash STI payments as set by the Board.</li> </ul>
Farooq Khan (Executive Chairman)	25 January 2021 (date of executive employment agreement)  18 December 2015 (commencement date)  1 January 2021 (date of effect of current remuneration)	\$175,000  plus employer superannuation contributions (9.5% of base salary for 2020/21 and 10% from 1 July 2021)	<ul style="list-style-type: none"> <li>No fixed term or fixed rolling terms of service.</li> <li>Commitment to a minimum prescribed hours per week over the course of a 5 day working week plus reasonable additional time required by the Company.</li> <li>Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.</li> <li>Six month's notice of termination by the Company (or payment of six month's salary in lieu thereof) and one month's notice by executive. Immediate termination without notice if executive commits any act of serious misconduct. Employment terminates upon cessation as officer of the Company, with entitlement to payment of six month's salary (save for voluntary resignation or immediate termination for serious misconduct).</li> <li>Permitted to continue as a Director of other existing ASX-listed companies – concurrent role as Director of any other company is not prohibited if it does not interfere with the proper performance of duties.</li> <li>Entitlement to performance-related cash bonuses as agreed with the Company from time to time.</li> </ul>
Victor Ho (Executive Director and Company Secretary)	25 January 2021 (date of executive employment agreement)  30 September 2015 (commencement date)  1 January 2021 (date of effect of current remuneration)	\$175,000  plus employer superannuation contributions (9.5% of base salary for 2020/21 and 10% from 1 July 2021)	<ul style="list-style-type: none"> <li>No fixed term or fixed rolling terms of service.</li> <li>Commitment to a minimum prescribed hours per week over the course of a 5 day working week plus reasonable additional time required by the Company.</li> <li>Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.</li> <li>Six month's notice of termination by the Company (or payment of six month's salary in lieu thereof) and one month's notice by executive. Immediate termination without notice if executive commits any act of serious misconduct. Employment terminates upon cessation as officer of the Company, with entitlement to payment of six month's salary (save for voluntary resignation or immediate termination for serious misconduct).</li> <li>Permitted to continue as a Director/Company Secretary of other existing ASX-listed companies – concurrent role as Director/Company Secretary of any other company is not prohibited if it does not interfere with the proper performance of duties.</li> <li>Entitlement to performance-related cash bonuses as agreed with the Company from time to time.</li> </ul>

# REMUNERATION REPORT

## (4) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel paid or payable by the Company during the financial year are as follows:

2021 Key Management Personnel	Performance- related %	Short-term Benefits		Post- Employment Benefits	Other Long-term Benefits	Equity- Based	Total \$
		Cash salary and fees \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options \$	
<b>Directors:</b>							
William Johnson		254,000	-	24,130	-	-	278,130
Farooq Khan		127,500	-	12,112	-	-	139,612
Malcolm Richmond		30,000	-	2,850	-	-	32,850
Matthew Hammond		30,000	-	-	-	-	30,000
Victor Ho (also Company Secretary)		135,000	-	12,825	-	-	147,825

2020 Key Management Personnel	Performance- related %	Short-term Benefits		Post- Employment Benefits	Other Long-term Benefits	Equity- Based	Total \$
		Cash salary and fees \$	Annual Leave \$	Superannuation \$	Long service leave \$	Shares & options \$	
<b>Directors:</b>							
William Johnson	-	208,000	-	19,760	-	-	227,760
Farooq Khan	-	80,000	-	7,600	-	-	87,600
Malcolm Richmond	-	36,250	-	3,444	-	-	39,694
Matthew Hammond	-	36,250	-	-	-	-	36,250
Victor Ho	-	45,000	-	4,275	-	-	49,275
<b>Company Secretary:</b>							
Victor Ho	-	50,000	-	4,750	-	-	54,750

## (5) Short-Term Benefits

During the financial year, the Company defined STI cash payments to the Managing Director and the Executive Directors which are subject to attainment of KPIs, as follows:

Key Management Personnel	STI Cash Amount	KPI
William Johnson	40% of annual base salary (plus employer superannuation contributions)	Upon the attainment of a defined 'Milestone' – being the sale and shipment of the first 100,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project - on or before 31 December 2021
Farooq Khan	40% of annual base salary (plus employer superannuation contributions)	Upon the attainment of a defined 'Milestone' – being the sale and shipment of the first 100,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project - on or before 31 December 2021
Victor Ho	40% of annual base salary (plus employer superannuation contributions)	Upon the attainment of a defined 'Milestone' – being the sale and shipment of the first 100,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project - on or before 31 December 2021

# REMUNERATION REPORT

## (6) Equity-Based Benefits

The Company has granted Directors' Options to Key Management Personnel during financial year, as follows:

Key Management Personnel	No of Directors' Options	Grant Date	Exercise Price	Expiry Date	Fair Value each	% Vested
William Johnson	4,500,000	4 December 2020	\$0.185	3 December 2023	\$284,656	-
Farooq Khan	3,750,000	4 December 2020	\$0.185	3 December 2023	\$237,213	-
Victor Ho	2,250,000	4 December 2020	\$0.185	3 December 2023	\$142,328	-
Malcolm Richmond	750,000	4 December 2020	\$0.185	3 December 2023	\$47,443	-
Matthew Hammond	750,000	4 December 2020	\$0.185	3 December 2023	\$47,443	-

The Directors' Options may only be exercised after they have vested. The options have vesting conditions, as follows:

- As to two-thirds of the options - upon the attainment of 'Milestone 1' – being the receipt of proceeds of sale from the shipment of the first 100,000 tonnes of iron ore mined from the Company's Paulsens East Iron Ore Project located in the Pilbara, Western Australia (**Project**); and
- As to one-third of the options - upon the attainment of 'Milestone 2' – being the receipt of proceeds of sale from the shipment of the first 1,000,000 tonnes of iron ore mined from the Project.

The assessed accounting fair value of these Directors' Options is calculated using an options valuation model which assumes (as at the date of grant) an underlying Company share price of \$0.13, a risk-free rate of 0.11% per annum (based on the 3 year Commonwealth Government bond yield rate) and a volatility rate of 90% for the underlying shares in the Company.

The Directors' Options were issued to the Directors after receipt of shareholder approval at the Company's AGM held on 4 December 2020.<sup>47</sup> The terms and conditions of the Directors' Options are set out in Annexure B to Strike's Notice of Annual General Meeting and Explanatory Statement dated 20 October 2020 and released on ASX on 4 November 2020.

During the financial year, the Company granted options to personnel (not a Key Management Personnel) pursuant to the Securities Incentive Plan (SIP), as follows:

No of SIP Options	Grant Date	Exercise Price	Expiry Date	Fair Value each	% Vested
1,500,000	24 December 2020	\$0.21	23 December 2023	\$99,708	-

These SIP Options are subject to the same vesting conditions as the Directors' Options (referred to above).

The SIP Options (\$0.21, 23 December 2023) lapsed on 6 August 2021 pursuant to their terms of issue.<sup>46</sup>

## (7) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

<sup>47</sup> 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

# REMUNERATION REPORT

The Company notes that Messrs William Johnson and Farooq Khan are Directors of Lithium Energy Limited (**Lithium Energy**) (a former subsidiary of the Company) and Victor Ho is the Company Secretary of Lithium Energy – Messrs Johnson, Khan and Ho receive remuneration as officers of Lithium Energy.

## (8) Securities held by Key Management Personnel

The number of securities in the Company held by Key Management Personnel is set below:

### Shares

Key Management Personnel	Balance at 30 June 2020	Received as part of remuneration	Net Other Change	Balance at 30 June 2021
Farooq Khan	750,803	-	1,062,428	1,813,231
William Johnson	349,273	-	-	349,273
Victor Ho	-	-	-	-
Malcolm Richmond	-	-	-	-
Matthew Hammond	-	-	-	-

### Directors' Options (\$0.21, 3 December 2023)

Key Management Personnel	Balance at 30 June 2020	Received as part of remuneration	Net Other Change	Balance at 30 June 2021
Farooq Khan	-	3,750,000	-	3,750,000
William Johnson	-	4,500,000	-	4,500,000
Victor Ho	-	2,250,000	-	2,250,000
Malcolm Richmond	-	750,000	-	750,000
Matthew Hammond	-	750,000	-	750,000

#### Notes:

- The Directors' Options were granted on 4 December 2020, each with an exercise price of \$0.21, an expiry date of 2 December 2023 and are subject to vesting conditions – refer Section (6) above.
- The terms and conditions of the Directors' Options are set out in Annexure B to Strike's Notice of Annual General Meeting and Explanatory Statement dated 20 October 2020 and released on ASX on 4 November 2020.
- The disclosures of holdings above are in accordance with the accounting standards which require disclosure of securities held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard AASB 124 Related Party Disclosures).

## (9) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the financial year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Non-Executive Directors on the Remuneration Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management (who are not Directors) where applicable.

## (10) Voting and Comments on the Remuneration Report at the 2020 AGM

At the Company's most recent (2020) AGM, a resolution to adopt the prior year (2020) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (98.23%) support in favour of adopting the Remuneration Report.<sup>48</sup> No comments were made on the Remuneration Report at the 2020 AGM.

This concludes the audited Remuneration Report.

<sup>48</sup> Refer Strike's Notice of Annual General Meeting and Explanatory Statement (Resolution 2) 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

# DIRECTORS' REPORT

## DIRECTORS' AND OFFICERS' INSURANCE

The Company insures Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001 (Cth)*) (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

## DIRECTORS' AND OFFICERS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the *Corporations Act 2001 (Cth)*), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and
- Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

## LEGAL PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Company was not a party to any such proceedings during and since the financial year.

## AUDITORS

Details of the amounts paid or payable to the Auditors for audit and non-audit services provided during the financial year are set out below:

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
Rothsay Auditing	26,000	-	26,000

Rothsay Auditing did not provide any non-audit services during the financial year.

Rothsay Auditing continues in office in accordance with Section 327 of the *Corporations Act 2001 (Cth)*.

## 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 23. This relates to the Auditor's Report, where the Auditors state that they have issued an independence declaration.

# DIRECTORS' REPORT

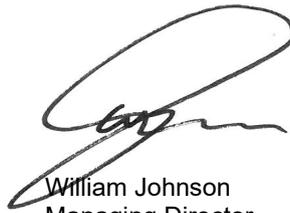
## EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report or the financial statements or notes thereto (in particular Note 26), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

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



Farooq Khan  
Executive Chairman



William Johnson  
Managing Director

24 September 2021



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005  
P.O. Box 8716, Perth Business Centre WA 6849  
Phone (08) 9486 7094 [www.rothsay.com.au](http://www.rothsay.com.au)

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

As lead auditor of the audit of Strike Resources Limited for the year ended 30 June 2021, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', written over a light blue horizontal line.

**Daniel Dalla**  
Partner  
24 September 2021

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021	2020
<b>REVENUE</b>	<b>2</b>	<b>\$</b>	<b>\$</b>
Interest revenue		4,133	11,412
<b>Other</b>			
Gain on disposal of subsidiaries		6,636,858	-
Net gain on financial assets at fair value through profit or loss		73,978	-
Dividend revenue		2,066	12,288
Other income		50,665	50,316
<b>TOTAL REVENUE AND INCOME</b>		<b>6,767,700</b>	<b>74,016</b>
<b>EXPENSES</b>	<b>3</b>		
Share of Associate entity's net loss		(350,061)	-
Exploration and evaluation expenses			
Impairment loss/(reversal)		635,912	(188,485)
Other exploration and evaluation expenses		(78,693)	(5,956)
Net loss on financial assets at fair value through profit or loss		-	(133,395)
Personnel expenses		(1,040,206)	(499,886)
Share-based payments		(761,502)	-
Corporate expenses		(703,729)	(304,768)
Occupancy expenses		(64,005)	(83,234)
Finance expenses		(11,567)	(3,200)
Foreign exchange loss		(108,944)	(90,261)
Administration expenses		(425,030)	(166,544)
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		<b>3,859,875</b>	<b>(1,401,713)</b>
Income tax expense		-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>3,859,875</b>	<b>(1,401,713)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		(162,788)	(8,140)
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<b>3,697,087</b>	<b>(1,409,853)</b>
<b>EARNINGS/(LOSS) PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>			
Basic and diluted earnings/(loss) per share (cents)	<b>6</b>	1.59	(0.91)

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## as at 30 June 2021

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	6,449,512	3,241,161
Financial assets at fair value through profit or loss	8	238,061	164,083
Inventory	11	1,353,363	-
Receivables		207,242	57,494
Other current assets		14,095	5,833
<b>TOTAL CURRENT ASSETS</b>		<b>8,262,273</b>	<b>3,468,571</b>
<b>NON-CURRENT ASSETS</b>			
Investment in Associate entity	21	6,532,439	-
Exploration and evaluation expenditure	12	3,438,629	1,016,713
Property, plant and equipment	13	402,651	4,158
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,373,719</b>	<b>1,020,871</b>
<b>TOTAL ASSETS</b>		<b>18,635,992</b>	<b>4,489,442</b>
<b>CURRENT LIABILITIES</b>			
Payables	14	2,037,490	244,412
Provisions		125,625	9,961
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,163,115</b>	<b>254,373</b>
<b>TOTAL LIABILITIES</b>		<b>2,163,115</b>	<b>254,373</b>
<b>NET ASSETS</b>		<b>16,472,877</b>	<b>4,235,069</b>
<b>EQUITY</b>			
Issued capital	15	159,420,982	151,049,893
Reserves	16		
Share-based payments reserve		13,402,658	13,233,026
Profits reserve		6,585,022	-
Foreign currency translation reserve		1,670,147	1,832,935
Accumulated losses		(164,605,932)	(161,880,785)
<b>TOTAL EQUITY</b>		<b>16,472,877</b>	<b>4,235,069</b>

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## For the year ended 30 June 2021

	Note	Issued capital \$	Share-based payments reserve \$	Profits reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total \$
<b>BALANCE AT 1 JULY 2019</b>		<b>148,439,925</b>	<b>13,233,026</b>	<b>-</b>	<b>1,841,075</b>	<b>(160,479,072)</b>	<b>3,034,954</b>
Loss for the year		-	-	-	-	(1,401,713)	(1,401,713)
Other comprehensive income		-	-	-	(8,140)	-	(8,140)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,140)</b>	<b>(1,401,713)</b>	<b>(1,409,853)</b>
<b>Transactions with owners in their capacity as owners:</b>							
Issue of shares	15	2,781,000	-	-	-	-	2,781,000
Cost of issued shares	15	(171,032)	-	-	-	-	(171,032)
<b>BALANCE AT 30 JUNE 2020</b>		<b>151,049,893</b>	<b>13,233,026</b>	<b>-</b>	<b>1,832,935</b>	<b>(161,880,785)</b>	<b>4,235,069</b>
<b>BALANCE AT 1 JULY 2020</b>		<b>151,049,893</b>	<b>13,233,026</b>	<b>-</b>	<b>1,832,935</b>	<b>(161,880,785)</b>	<b>4,235,069</b>
Profit for the year		-	-	-	-	3,859,875	3,859,875
Profits reserve transfer		-	-	6,585,022	-	(6,585,022)	-
Other comprehensive income	16	-	-	-	(162,788)	-	(162,788)
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>-</b>	<b>6,585,022</b>	<b>(162,788)</b>	<b>(2,725,147)</b>	<b>3,697,087</b>
<b>Transactions with owners in their capacity as owners:</b>							
Issue of shares	15	9,030,461	-	-	-	-	9,030,461
Cost of issued shares	15	(659,372)	-	-	-	-	(659,372)
Share based payments	16	-	169,632	-	-	-	169,632
<b>BALANCE AT 30 JUNE 2021</b>		<b>159,420,982</b>	<b>13,402,658</b>	<b>6,585,022</b>	<b>1,670,147</b>	<b>(164,605,932)</b>	<b>16,472,877</b>

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

## For the year ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,246,259)	(811,431)
Payments for exploration and evaluation	(3,463,702)	(862,198)
Other receipts	50,000	50,000
Other income	665	316
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(4,659,296)</b>	<b>(1,623,313)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	4,133	11,412
Dividends received	2,066	12,288
Payment for share investments	-	(279,362)
Proceeds from realisation of share investments	-	1,322,569
Payment for purchases of plant and equipment	(407,541)	(3,411)
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>(401,342)</b>	<b>1,063,496</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	15 9,030,461	2,781,000
Cost of issuing shares	15 (489,773)	(171,032)
Issue of options	16 33	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>8,540,721</b>	<b>2,609,968</b>
<b>NET DECREASE IN CASH HELD</b>	<b>3,480,083</b>	<b>2,050,151</b>
Cash and cash equivalents at beginning of financial year	3,241,161	1,289,411
Effect of exchange rate changes on cash held	(271,732)	(98,401)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>6,449,512</b>	<b>3,241,161</b>

The accompanying notes form part of these consolidated financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the financial year ended 30 June 2021

### 1. ABOUT THIS FINANCIAL REPORT

#### 1.1 Background

This financial report covers the consolidated financial statements of the consolidated entity consisting of Strike Resources Limited (ASX:SRK) (the **Company** or **SRK**), its subsidiaries and investments in associates (the **Consolidated Entity** or **Strike**). The financial report is presented in the Australian currency.

Strike Resources Limited is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

- (a) the amount in question is significant because of its size or nature;
- (b) it is important for understanding the results of the Consolidated Entity;
- (c) it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- (d) it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

The notes to the financial statements are organised into the following sections:

- (a) **Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes	
2	Revenue
3	Expenses
4	Segment information
5	Tax
6	Earnings per share

- (b) **Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes	
7	Cash and cash equivalents
8	Financial assets at fair value through profit or loss
9	Financial risk management
10	Fair value measurement of financial instruments

- (c) **Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do materially affect performance or give rise to material financial risk:

Notes	
11	Inventory
12	Exploration and evaluation expenditure
13	Property, plant and equipment
14	Payables

- (d) **Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes	
15	Issued capital
16	Reserves
17	Shared-based payments
18	Capital risk management

- (e) **Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes	
19	Parent entity information
20	Investment in controlled entities
21	Investment in Associate entity
22	Related party transactions

- (f) **Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes	
23	Auditor's remuneration
24	Commitments
25	Contingencies
26	Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

#### 1.2 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001 (Cth)*. The Company is a for-profit entity for the purpose of preparing the financial statements.

#### Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of the Consolidated Entity comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the financial year ended 30 June 2021

### Reporting Basis and Financial Statement Presentation

The financial report has been prepared on a going concern basis and is based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

### 1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2021 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Strike or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

### 1.4 Comparative Figures

Where required by the Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

### 1.5 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### 1.6 Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs

### 1.7 Leases

At the lease commencement, the Consolidated Entity recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Consolidated Entity believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Consolidated Entity's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Consolidated Entity's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *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.

### 1.8 New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 2. REVENUE

	2021	2020
	\$	\$
The Consolidated Entity's operating profit/(loss) before income tax includes the following items of revenue:		
<b>Revenue</b>		
Interest revenue	4,133	11,412
	<u>4,133</u>	<u>11,412</u>
<b>Other</b>		
Gain on disposal of subsidiaries	6,636,858	-
Net gain on financial assets at fair value through profit or loss	73,978	-
Dividend revenue	2,066	12,288
Other income	50,665	50,316
	<u><u>6,767,700</u></u>	<u><u>74,016</u></u>

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**(i) Sale of financial assets, goods and other assets**

Revenue from the sale of financial assets, goods or other assets is recognised when the Consolidated Entity has passed control of the financial assets, goods or other assets to the buyer.

**(ii) Interest revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(iii) Dividend revenue**

Dividend revenue is recognised when the right to receive a dividend has been established. The Consolidated Entity brings dividend revenue to account on the applicable ex-dividend entitlement date.

**(iv) Other revenues**

Other revenues are recognised on an accruals basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

3. EXPENSES	2021	2020
	\$	\$
The Consolidated Entity's operating profit/(loss) before income tax includes the following items of expenses:		
Share of Associate entity's net loss	350,061	-
Exploration and evaluation expenses		
Impairment loss/(reversal)	(635,912)	188,485
Other exploration and evaluation expenses	78,693	5,956
Net loss on financial assets at fair value through profit or loss	-	133,395
Personnel expenses		
Salaries, fees and employee benefits	1,040,206	499,886
Share-based payments	761,502	-
Corporate expenses		
Professional fees	350,141	129,272
ASX and CHES fees	84,303	40,872
ASIC fees	12,061	6,800
Accounting, taxation and related administration	185,079	103,641
Audit	26,000	14,000
Share registry	25,253	5,988
Other corporate expenses	20,892	4,195
Occupancy expenses	64,005	83,234
Finance expenses	11,567	3,200
Foreign exchange loss	108,944	90,261
Administration expenses		
Insurance	44,428	19,112
Office administration	56,605	50,578
Travel, accommodation and incidentals	12,002	24,215
Depreciation	9,049	2,755
Other administration expenses	302,946	69,884
	<b>2,907,825</b>	<b>1,475,729</b>

### Accounting policy

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains or losses that relate to borrowings are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or operating expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 4. SEGMENT INFORMATION

	Argentina	Peru	Australia	Total
	\$	\$	\$	\$
<b>2021</b>				
Revenue	-	-	4,133	4,133
Other	665	-	6,762,902	6,763,567
<b>Total segment revenues</b>	<b>665</b>	<b>-</b>	<b>6,767,035</b>	<b>6,767,700</b>
Share of Associate entity's net loss	-	-	350,061	350,061
Exploration and evaluation expenses/(reversal)	-	17,445	(574,664)	(557,219)
Personnel expenses	-	-	1,801,708	1,801,708
Corporate expenses	1,841	76,603	625,285	703,729
Finance expenses	79	6,827	4,661	11,567
Depreciation expense	-	11	9,038	9,049
Other expenses	(24,293)	333,267	279,956	588,930
<b>Total segment profit/(loss)</b>	<b>23,038</b>	<b>(434,153)</b>	<b>4,270,990</b>	<b>3,859,875</b>
<b>Adjusted EBITDA</b>	<b>23,038</b>	<b>(434,164)</b>	<b>4,261,952</b>	<b>3,850,826</b>
<b>Total segment assets</b>	<b>-</b>	<b>1,603,676</b>	<b>17,032,316</b>	<b>18,635,992</b>
<b>Total segment liabilities</b>	<b>-</b>	<b>129,344</b>	<b>2,033,771</b>	<b>2,163,115</b>
<b>2020</b>				
Revenue	-	-	11,412	11,412
Other	-	-	62,604	62,604
<b>Total segment revenues</b>	<b>-</b>	<b>-</b>	<b>74,016</b>	<b>74,016</b>
Net loss on financial assets at fair value through profit or loss	-	-	133,395	133,395
Exploration and evaluation expenses	-	1,444	192,997	194,441
Personnel expenses	-	-	499,886	499,886
Corporate expenses	-	123,603	181,165	304,768
Finance expenses	-	1,104	2,096	3,200
Depreciation expense	-	-	2,755	2,755
Other expenses	-	136,053	201,231	337,284
<b>Total segment loss</b>	<b>-</b>	<b>(262,204)</b>	<b>(1,139,509)</b>	<b>(1,401,713)</b>
<b>Adjusted EBITDA</b>	<b>-</b>	<b>(262,204)</b>	<b>(1,142,264)</b>	<b>(1,404,468)</b>
<b>Total segment assets</b>	<b>343,857</b>	<b>48,194</b>	<b>4,097,391</b>	<b>4,489,442</b>
<b>Total segment liabilities</b>	<b>-</b>	<b>102,273</b>	<b>152,100</b>	<b>254,373</b>

#### Accounting policy

The operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director. The Managing Director is responsible for allocating resources and assessing performance of the operating segments and has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operated only in Australia, Peru and Argentina during the financial year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 5. TAX

	2021	2020
	\$	\$
<b>(a) The components of tax expense comprise:</b>		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>(b) The prima facie tax on operating loss before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax payable on operating loss before income tax at 26% (2020: 27.5%)	1,003,567	(385,471)
Adjust tax effect of:		
Non-deductible expenses	14,059	7,948
Movement in unrecognised temporary differences	1,287	(746,747)
Current year tax losses not recognised	-	1,124,270
Prior year tax losses recognised	(1,018,913)	-
<b>Income tax attributable to entity</b>	<u>-</u>	<u>-</u>
<b>(c) Unrecognised deferred tax balances</b>		
Unrecognised deferred tax asset - revenue losses	4,600,750	8,772,764
Unrecognised deferred tax asset - other	4,007,036	4,238,211
	<u><b>8,607,786</b></u>	<u><b>13,010,975</b></u>

#### Critical accounting judgement and estimate

Deferred tax assets have not been recognised as, in the Directors' opinion, it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits. The utilisation of revenue and capital tax losses are subject to compliance with taxation legislation.

#### Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 5. TAX (continued)

#### Accounting policy (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

6. EARNINGS PER SHARE	2021	2020
	cents	cents
Basic and diluted earnings/(loss) per share	1.59	(0.91)

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

Net profit/(loss) after income tax	3,697,087	(1,409,853)
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares	232,058,583	155,281,263

#### Accounting policy

Basic earnings/loss per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

Diluted earnings/loss per share adjusts the figures used in the determination of basic earnings/loss per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings/loss per share that will probably arise from the exercise of options outstanding during the financial period.

7. CASH AND CASH EQUIVALENTS	2021	2020
	\$	\$
Cash at bank	5,314,320	3,191,068
Term deposits	1,135,192	50,093
	<b>6,449,512</b>	<b>3,241,161</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 7. CASH AND CASH EQUIVALENTS (continued)

	2021	2020
(a) Reconciliation of operating profit/(loss) after income tax to net cash used in operating activities	\$	\$
<b>Profit/(Loss) after income tax</b>	<b>3,859,875</b>	<b>(1,401,713)</b>
<b>Add non-cash items:</b>		
Depreciation	9,049	2,755
Share of Associate entity's net loss	350,061	-
Impairment/(reversal) of exploration and evaluation expenses	(635,912)	188,485
Unrealised movement in financial assets	(74,578)	80,112
Adjustment for movement in foreign exchange	108,941	90,262
<b>Changes in assets and liabilities:</b>		
Financial assets at fair value through profit or loss	(6,879,400)	53,283
Receivables	(155,946)	85,197
Other current assets	(8,262)	(1,833)
Investment in Associate entity	(2,500)	-
Exploration and evaluation expenditure and Inventory	(3,139,367)	(856,243)
Payables	1,793,079	132,106
Provisions	115,664	4,276
	<b>(4,659,296)</b>	<b>(1,623,313)</b>

#### Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021	2020
	\$	\$
Listed securities at fair value	238,061	164,083

#### Accounting policy

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 9 (Financial Instruments) will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets in the profit or loss in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date which is the current bid price.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, receivables and payables. The Consolidated Entity's financial instruments are subject to market (which includes interest rate and foreign exchange risk), credit and liquidity risks.

The Board is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

The financial receivables and payables of the Consolidated Entity in the table below are due or payable within 30 days. The Consolidated Entity holds the following financial assets and liabilities:

	Note	2021 \$	2020 \$
Cash and cash equivalents	7	6,449,512	3,241,161
Financial assets at fair value through profit or loss	8	238,061	164,083
Receivables		207,242	57,494
		<b>6,894,815</b>	<b>3,462,738</b>
Payables	14	(2,037,490)	(244,412)
<b>Net financial assets</b>		<b>4,857,325</b>	<b>3,218,326</b>

#### (a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities, foreign exchange risk from fluctuations in foreign currencies and interest rate risk from fluctuations in market interest rates.

##### (i) Price risk

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the Statement of Financial Position at fair value through profit or loss. The Consolidated Entity is exposed to commodity price risk in respect of its investments indirectly via market risk and equity securities price risk.

The value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument, its issuer or factors affecting all instruments in the market. The Consolidated Entity will be subject to market risk to the extent that it invests its capital in securities that are not risk free. This is reflected in the market price of these securities which can and will fluctuate. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps.

Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

The Consolidated Entity has performed a sensitivity analysis on its exposure to equity securities price risk for listed and unlisted financial assets at fair value through profit or loss. The analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The ASX/S&P 200 Accumulation Index was utilised as the benchmark for the investment portfolio.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 9. FINANCIAL RISK MANAGEMENT (continued)

(i) <i>Price risk (continued)</i>	Impact on post-tax profit		Impact on equity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Increase 5%	11,903	8,204	11,903	8,204
Decrease 5%	(11,903)	(8,204)	(11,903)	(8,204)

#### (ii) *Foreign exchange risk*

The Consolidated Entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Peruvian Nuevo Soles.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Consolidated Entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Consolidated Entity has a policy of not hedging foreign exchange risk and therefore has not entered into any hedging against movements in foreign currencies against the Australian dollar, including forward exchange contracts, as at the reporting date and is currently fully exposed to foreign exchange risk.

The Consolidated Entity's exposure to foreign exchange risk expressed in US dollars at the reporting date are as follows:

	2021	2020
	USD	USD
Cash and cash equivalents	975,041	33,288
Payables	(97,008)	(70,641)
<b>Net financial assets/(liabilities)</b>	<b>878,033</b>	<b>(37,353)</b>

The Consolidated Entity has performed a sensitivity analysis on its exposure to exchange risk. The management assessment is based upon an analysis of current and future market position. The analysis demonstrates the effect on the current year results and equity when the Australian dollar strengthened or weakened by 10% against the foreign currencies detailed above.

	Impact on post-tax profit		Impact on equity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Increase 10%	87,803	(3,735)	87,803	(3,735)
Decrease 10%	(87,803)	3,735	(87,803)	3,735

#### (iii) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The weighted average interest rate of the cash at bank for the year for the table below is 0.1% (2020: 0.35%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates based on observation of current market conditions. The calculations are based on a change in the average market interest rate and the financial instruments that are sensitive to changes in interest rates.

	Impact on post-tax profit		Impact on equity	
	2021	2020	2021	2020
	\$	\$	\$	\$
Increase by 25bps	16,124	8,103	16,124	8,103
Decrease by 25bps	(16,124)	(8,103)	(16,124)	(8,103)

#### (b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no borrowings. The Consolidated Entity's non-cash investments can be realised to meet trade and other payables arising in the normal course of business. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

#### (c) Credit risk

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Concentrations of credit risk are minimised primarily by the management carrying out all market transactions through recognised and creditworthy brokers and the monitoring of receivable balances. The Consolidated Entity's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with Standard & Poor's) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2021	2020
	\$	\$
<b>Cash and cash equivalents</b>		
AA-	6,197,897	3,192,021
No external credit rating available	250,238	48,194
	<b>6,448,135</b>	<b>3,240,215</b>
<b>Receivables (due within 30 days)</b>		
No external credit rating available	<b>207,242</b>	<b>57,494</b>

### 10. 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:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Financial assets at fair value through profit or loss:	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Listed securities at fair value				
2021	238,061	-	-	238,061
2020	164,083	-	-	164,083

There have been no transfers between the levels of the fair value hierarchy during the financial 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) Fair values of other financial assets and liabilities

	Note	2021	2020
		\$	\$
Cash and cash equivalents	7	6,449,512	3,241,161
Receivables		207,242	57,494
		6,656,754	3,298,655
Payables	14	(2,037,490)	(244,412)
		4,619,264	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.

### 11. INVENTORY

	2021	2020
	\$	\$
Iron ore - work-in-progress	1,353,363	-

#### Accounting policy

Inventories are valued at the lower of cost and net realisable value regardless of the type of inventory and its stage in the production process. Cost represents the weighted average cost and includes direct purchase costs and an appropriate portion of fixed and variable production overhead expenditure, incurred in converting materials into finished goods. Iron ore stockpiles which are not expected to be processed in the 12 months after the reporting date are classified as non-current inventory.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

12. EXPLORATION AND EVALUATION EXPENDITURE	2021	2020
	\$	\$
Opening balance	1,016,713	348,956
Exploration and evaluation costs	1,786,004	856,242
Impairment loss/(reversal)	635,912	(188,485)
<b>Closing balance</b>	<b>3,438,629</b>	<b>1,016,713</b>

### Accounting policy

Exploration and evaluation expenditure incurred is initially capitalised in respect of each identifiable area of interest where the Consolidated Entity has right of tenure. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically-recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Under AASB 6 (Exploration for and Evaluation of Mineral Resources), if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Consolidated Entity must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 (Impairment of Assets). Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

13. PROPERTY, PLANT AND EQUIPMENT	Office Plant & Equipment	Mining Plant & Equipment	Total
	\$	\$	\$
<b>2021</b>			
At cost	34,735	384,183	418,918
Accumulated depreciation	(8,223)	(8,044)	(16,267)
	<u>26,512</u>	<u>376,139</u>	<u>402,651</u>
<b>2020</b>			
At cost	8,804	2,573	11,377
Accumulated depreciation	(5,933)	(1,286)	(7,219)
	<u>2,871</u>	<u>1,287</u>	<u>4,158</u>
<b>Movements in carrying amounts</b>			
<b>At 1 Jul 2019</b>	3,502	-	3,502
Additions	838	2,573	3,411
Depreciation expense	(1,469)	(1,286)	(2,755)
<b>At 30 Jun 2020</b>	<b>2,871</b>	<b>1,287</b>	<b>4,158</b>
Additions	25,931	381,610	407,541
Depreciation expense	(2,290)	(6,758)	(9,048)
<b>At 30 Jun 2020</b>	<b>26,512</b>	<b>376,139</b>	<b>402,651</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Accounting policy

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Rate</u>	<u>Method</u>
Office plant and equipment	20% - 100%	Diminishing Value
Mining plant and equipment	20% - 66.67%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

### 14. PAYABLES

	2021	2020
	\$	\$
Trade payables	384,090	217,894
Deferred revenue	1,428,250	-
Other creditors and accruals	225,150	26,518
	<b>2,037,490</b>	<b>244,412</b>

Deferred revenue relates to US\$1,100,000 in prepayments received pursuant to an iron ore sales Offtake Agreement entered into in respect of the Apurimac Iron Ore Project in Peru. The prepayments received under the agreement will be offset against the proceeds of the first two shipments of iron ore sold. Refer also Note 25(h) and 25(a) for further details.

#### Accounting policy

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 15. ISSUED CAPITAL

	2021	2020
	\$	\$
270,000,000 (2020: 207,134,268) fully paid ordinary shares	<b>159,420,982</b>	<b>151,049,893</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 15. ISSUED CAPITAL (continued)

Movement in fully paid ordinary shares	Date of issue	Number of shares	\$
<b>At 1 July 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 June 2020</b>		<b>207,134,268</b>	<b>151,049,893</b>
Issue of shares at 10 cents	25-Nov-20	10,000,000	1,000,000
Issue of shares at 10 cents	1-Dec-20	30,000,000	3,000,000
Cost of share issue			(270,579)
Issue of shares at 22 cents	4-Jun-21	22,865,732	5,030,461
Cost of share issue			(388,793)
<b>At 30 June 2021</b>		<b>270,000,000</b>	<b>159,420,982</b>

#### Accounting policy

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

### 16. RESERVES

	2021	2020
	\$	\$
Share-based payments reserve	13,402,658	13,233,026
Profits reserve	6,585,022	-
Foreign currency translation reserve	1,670,147	1,832,935
	<b>21,657,827</b>	<b>15,065,961</b>

#### Movement in share-based payments reserve

<b>Opening balance</b>	13,233,026	13,233,026
Executive Options issued by Lithium Energy Limited (ASX:LEL)	761,502	-
Expensing of LEL Executive Options on de-consolidation of LEL	(761,502)	-
Consideration received on issue of options	33	-
Valuation of options issued (refer Note 17)	169,599	-
<b>Closing balance</b>	<b>13,402,658</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 (refer Note 17) are included in the Share-based payments reserve.

#### (b) Profits reserve

An increase in the Profits Reserve will arise when the Company or its subsidiaries generates a net profit (after tax) for a relevant financial period (i.e. half year or full year) which the Board determines to credit to the company's Profits Reserve. Dividends may be paid out of (and debited from) a company's Profits Reserve, from time to time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 16. RESERVES (continued)

#### (c) 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.

#### (d) Lithium Energy Limited - Executive Options

The fair value of Executive Options (refer Note 17) issued (for nil consideration) by Lithium Energy Limited (ASX:LEL) are included in the Share-based payments reserve (as per (a) above) but are expensed to profit or loss upon LEL ceasing to be a controlled entity of the Consolidated Entity on 7 May 2021.

### 17. SHARE-BASED PAYMENTS

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

Grant date	Expiry date	Fair value at grant 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	0.066	0.150	-	1,000,000	-	-	1,000,000	1,000,000	
04-Dec-20	03-Dec-23	0.063	0.185	-	12,000,000	-	-	12,000,000	-	
24-Dec-20	23-Dec-23	0.066	0.210	-	1,500,000	-	-	1,500,000	-	
04-Jun-21	03-Jun-24	0.104	0.330	-	1,000,000	-	-	1,000,000	1,000,000	
					-	15,500,000	-	-	15,500,000	2,000,000
Weighted average exercise price						0.01			0.01	

The following options were issued during the financial year:

- (a) On 1 December 2020, 1,000,000 Broker's Options (each with an exercise price of \$0.15 and a term expiring on 30 November 2023) were issued in consideration of \$16.67 and pursuant to a mandate with the broker firm.
- (b) On 4 December 2020, a total of 12,000,000 Directors' Options (each with an exercise price of \$0.185 and a term expiring on 3 December 2023) were granted to the Directors after receipt of shareholder approval (pursuant to the Corporations Act 2001 and ASX Listing Rules) at a general meeting held on 4 December 2020. The vesting conditions for these options (in respect of each Directors' allocation) are as follows (which have not occurred as at balance date):
  - (i) two-thirds of the options will vest upon the attainment of Milestone 1 - being 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.
  - (ii) one-third of the options will vest upon the attainment of Milestone 2 - being 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.
- (c) On 24 December 2020, 1,500,000 Securities Incentive Plan (SIP) Options (each with an exercise price of \$0.21 and a term expiring on 23 December 2023) were granted to a participant under the Company's SIP. The vesting conditions for these options are as follows (which have not occurred as at balance date):
  - (i) two-thirds of the options will vest upon the attainment of Milestone 1 - being 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.
  - (ii) one-third of the options will vest upon the attainment of Milestone 2 - being 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.
- (d) On 4 June 2021, 1,000,000 Broker's Options (each with an exercise price of \$0.33 and a term expiring on 3 June 2024) were issued in consideration of \$16.67 and pursuant to a mandate with the broker firm.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 17. SHARE-BASED PAYMENTS (continued)

The fair value of options issued were calculated using an options valuation model which assumes (as at the date of grant) an underlying Company share price, a risk-free rate and a volatility rate for the underlying shares in the Company, as follows:

- (a) Broker's Options (\$0.15, 23 Nov 2023) - 12.5 cents underlying Company share price, 0.11% risk-free rate (based on the 3 year Commonwealth Government bond yield rate) and 90% volatility rate.
- (b) Directors' Options (\$0.185, 3 Dec 2023) - 13 cents underlying Company share price, 0.11% risk-free rate (based on the 3 year Commonwealth Government bond yield rate) and 90% volatility rate.
- (c) SIP Options (\$0.21, 23 Dec 2023) - 14 cents underlying Company share price, 0.11% risk-free rate (based on the 3 year Commonwealth Government bond yield rate) and 90% volatility rate.
- (d) Broker's Options (\$0.33, 3 Jun 2024) - 22.5 cents underlying Company share price, 0.16% risk-free rate (based on the 3 year Commonwealth Government bond yield rate) and 87% volatility rate.

During the financial year, Lithium Energy Limited (ASX:LEL) issued the following options (over shares in LEL) during the financial year:

- (a) 10,000,000 Executives Options were granted on 19 March 2021, each with an exercise price of \$0.30 and an exercise term expiring on 18 March 2024. These options are also subject to escrow until 19 May 2023.
- (b) 4,000,000 Broker's Options were granted on 5 May 2021, each with an exercise price of \$0.30 and an exercise term expiring on 4 May 2024. These options are also subject to escrow until 19 May 2023.

The fair value of these LEL options (\$0.076 each, in respect of the above Executive Options and Broker's Options) issued were calculated using an options valuation model which assumes (as at the date of grant) an underlying LEL share price of \$0.20 (being LEL's IPO issue price), a risk-free rate of 0.11% per annum (based on the 3 year Australian bond yield rate) and a volatility rate of 75% for the underlying shares in LEL.

#### Accounting policy

Share-based compensation benefits provided to personnel are accounted in accordance with AASB 2 (Share-based Payment).

The fair value of options granted are recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed are determined by reference to the fair value of the options granted, which takes into account market performance conditions, and the impact of non-vesting conditions (if any) but excludes the impact of any service or non-market performance vesting conditions (if any).

Non-market vesting conditions (if any) are included in assumptions about the number of options that are expected to vest. Total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Consolidated Entity will revise its estimates of the number of options that are expected to vest based on applicable non-marketing vesting conditions. The Consolidated Entity will also recognise the impact of any revisions to the original estimates in profit or loss with a corresponding adjustment to equity.

### 18. CAPITAL RISK MANAGEMENT

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and selling assets to reduce debt.

The Consolidated Entity has no external borrowings.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 19. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Strike Resources Limited, as at 30 June 2021.

	2021	2020
	\$	\$
<b>Statement of profit or loss and other comprehensive income</b>		
Profit/(Loss) for the year	385,761	(912,682)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>385,761</b>	<b>(912,682)</b>
<b>Statement of financial position</b>		
Current assets		
Cash and cash equivalents	6,136,455	3,192,295
Financial assets at fair value through profit or loss	238,061	162,283
Other	109,338	63,038
Non current assets	11,265,549	3,793,871
<b>Total assets</b>	<b>17,749,403</b>	<b>7,211,487</b>
Current liabilities	1,763,533	152,100
<b>Total liabilities</b>	<b>1,763,533</b>	<b>152,100</b>
<b>Net assets</b>	<b>15,985,870</b>	<b>7,059,387</b>
Issued capital	159,420,982	151,049,893
Options reserve	13,402,658	13,233,025
Profits reserve	6,585,022	-
Accumulated losses	(163,422,792)	(157,223,531)
<b>Equity</b>	<b>15,985,870</b>	<b>7,059,387</b>

### 20. INVESTMENT IN CONTROLLED ENTITIES

Investment in controlled entities	Incorporated	Ownership interest	
		2021	2020
Paulsens East Iron Ore Pty Ltd (incorporated 7 Aug 20)	Australia	100%	-
Strike Finance Pty Ltd	Australia	100%	100%
Strike Resources Peru S.A.C.	Peru	100%	100%
Apurimac Ferrum S.A.C.	Peru	100%	100%
Ferrum Trading S.A.C	Peru	100%	100%
Strike Australian Operations Pty Ltd (refer to (a))	Australia	-	100%
Strike Operations Pty Ltd (refer to (b))	Australia	-	100%
Hananta S.A. (refer to (c))	Argentina	-	90%

During the financial year, the Company determined to spin-out its battery minerals assets to a new entity and undertake an initial public offering (IPO) for that entity and seek its admission to ASX. On 14 January 2021, the Company incorporated Lithium Energy Limited (ACN 647 135 108) (**Lithium Energy**) as a wholly-owned subsidiary. On 18 February 2021, the Company entered into restructure agreements to transfer the interests in these battery mineral assets to Lithium Energy:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 20. INVESTMENT IN CONTROLLED ENTITIES (continued)

- (a) With effect on 31 January 2021, the Company transferred all of its shares in Strike Australia Operations Pty Ltd (subsequently renamed LE Australian Operations Pty Ltd (LEAOPL)) to Lithium Energy in consideration of \$600,000 cash, with the Company utilising the cash consideration to contemporaneously subscribe for 3,000,000 shares in Lithium Energy at an issue price of \$0.20 per share. LEAOPL holds a approximately 76.5% interest in the Burke Graphite Project in Queensland.
- (b) With effect on 31 January 2021, the Company transferred all of its shares in Strike Operations Pty Ltd (subsequently renamed LE Operations Pty Ltd (LEOPL)) to Lithium Energy in consideration of:
- the issue of 28,250,000 Lithium Energy shares at an issue price of \$0.20 each (totalling \$5,650,000);
  - \$630,000 cash, with the Company utilising the cash consideration to contemporaneously subscribe for 3,150,000 shares in the Company at an issue price of \$0.20.

LEOPL holds a 90% interest in the Solaroz Lithium Project in Argentina.

With effect on 31 December 2020, LEOPL capitalised a \$196,893 (US\$140,000) loan into a 90% shareholding in Hananta S.A. (**Hananta**), which became a controlled entity of LEOPL.

Lithium Energy completed a \$9 million IPO (under a Prospectus dated 30 March 2021) with 45,000,000 shares issued (at \$0.20 each) on 7 May 2021, at which point Lithium Energy ceased to be a subsidiary of the Company. Lithium Energy was admitted to the Official List of the ASX on 17 May 2021 (under ASX Code: LEL) and commenced quotation/trading on ASX on 19 May 2021. Strike retains a 43% interest (34,410,000 shares) in Lithium Energy, which are escrowed to 19 May 2023.

Lithium Energy is classified as an Associate entity of the Company (refer Note 21).

#### Accounting policy

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

Intercompany transactions, balances and unrealised gains on transactions in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

### 21. INVESTMENT IN ASSOCIATE ENTITY

	Ownership interest	2021
	2021	\$
Lithium Energy Limited (ASX:LEL)	43%	<u>6,532,439</u>

Lithium Energy was a spin-out of the battery minerals (Solaroz Lithium Project (Argentina) and Burke Graphite Project (Queensland)) assets previously held by the Consolidated Entity - refer Note 19 for further details.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 21. INVESTMENT IN ASSOCIATE ENTITY (continued)

#### Critical accounting judgement and estimate

The Consolidated Entity has assessed that Lithium Energy is not considered a subsidiary in accordance with AASB 10 (Consolidated Financial Statements). The Directors have considered the required elements of control prescribed under AASB 10 and do not consider that the Company controls Lithium Energy. Rather, in accordance with AASB 128 (Investments in Associates and Joint Ventures), the Company is considered to have significant influence over Lithium Energy (as prescribed under AASB 128) and accordingly, has applied the equity method in accounting for its investment in Lithium Energy (as an Associate entity).

	2021
	\$
<b>Movements in carrying amounts</b>	
Opening balance	-
Acquisition of shares	2,500
Transfer of subsidiaries to Lithium Energy	6,880,000
Share of net loss after tax	(350,061)
	<u>6,532,439</u>
	<u>12,731,700</u>
Fair value (at market price on ASX) of investment in Associate entity	<u>6,453,120</u>
Net asset value of investment	<u>6,453,120</u>
<b>Summarised statement of profit or loss and other comprehensive income</b>	
Revenue	38,309
Expenses	(1,166,670)
Loss before income tax	(1,128,361)
Income tax expense	-
Loss after income tax	(1,128,361)
Other comprehensive income	60,572
Total comprehensive income	<u>(1,067,789)</u>
<b>Summarised statement of financial position</b>	
Current assets	8,151,258
Non-current assets	7,041,137
Total assets	<u>15,192,395</u>
Current liabilities	187,624
Total liabilities	<u>187,624</u>
Net assets	<u>15,004,771</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## For the year ended 30 June 2021

### 21. INVESTMENT IN ASSOCIATE ENTITY (continued)

#### Accounting policy

Associates are all entities over which the Consolidated Entity has presumed significant influence but not control or joint control, generally accompanying a shareholding of between approximately 20% and 50% of the voting rights. Investments in Associates in the consolidated financial statements are accounted for using the equity method of accounting. On initial recognition investments in associates are recognised at cost; for investments which were classified as fair value through profit or loss, any gains or losses previously recognised are reversed through profit or loss. Under the equity method, the Consolidated Entity's share of the post-acquisition profits or losses of Associates are recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment in the Associate entity.

A share of an Associate entity's net gain increases the investment (and a share of net loss decreases the investment) and dividend income received from an Associate entity decreases the investment. When the Consolidated Entity's share of losses in an Associate equals or exceeds its interest in the Associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Associate.

Where applicable, unrealised gains on transactions between the Consolidated Entity and its Associates are eliminated to the extent of the Consolidated Entity's interest in the Associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of Associates are aligned to ensure consistency with the policies adopted by the Consolidated Entity, where practicable.

### 22. RELATED PARTY TRANSACTIONS

#### (a) Transactions with key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2021. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2021	2020
	\$	\$
<b>Directors</b>		
Short-term employee benefits	576,500	455,500
Post-employment benefits	51,917	39,829
	<b>628,417</b>	<b>495,329</b>

#### (b) Transactions with other related parties

No other related party transactions have been identified other than those disclosed above.

### 23. AUDITOR'S REMUNERATION

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2021	2020
	\$	\$
<b><u>Audit and review of financial statements</u></b>		
Rothsay Auditing	26,000	14,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 24. COMMITMENTS

#### (a) Lease Commitments

The Company has entered into a non-cancellable operating lease agreement for office premises. The lease is for a period of 12 months commencing on 1 July 2021 and expiring on 30 June 2022, with options to extend for a further 2 years (to 30 June 2024) and 3 years (to 30 June 2027). 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) Mining Tenements/Concessions – Annual Fees and Expenditure Commitments

##### (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.

### 25. CONTINGENCIES

#### (a) Directors' Deeds

The Company has entered into Access, Indemnity and Insurance Deeds with the Directors which, inter alia, indemnify them against liability incurred in discharging their duties as officers. 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 tenements (which includes Mining Lease M47/1583) in Western Australia. This royalty entitlement stems from the Consolidated Entity's acquisition of a portfolio of tenements (including the Paulsens East tenements) from Orion in September 2005.

#### (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 24 (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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 25. CONTINGENCIES (continued)

#### (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 Kunti 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 Project mineral concessions.
- (ii) 2% of the proceeds of sales of other metals (on a net smelter return basis) mined from the Apurimac 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 25. 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) Offtake Agreement – Apurimac Project

The Consolidated Entity has entered into an Offtake Agreement with an international iron ore trading company for iron ore mined at the Apurimac Project. The agreement adopts market reflective pricing referenced to relevant S&P Global Platts benchmark indices, with uplifts for Fe grade above benchmark (62%), lump premiums and impurity penalties, on a Cost and Freight (CFR) basis for delivery into China. The agreement is for a term of 2 years and incorporates a US\$2 million prepayment facility, to be offset against the sale proceeds from the first two shipments. The Consolidated Entity will receive initial payment under a provisional invoice with settlement under a final invoice after the completion of each shipment. The Consolidated Entity has received US\$1.1 million (A\$1,428,250) prepayments as at the balance date. There is also a profit share arrangement in respect of the first shipment, based on the FOB-equivalent (capped) cost.

### 26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 18 August 2021, the Consolidated Entity's first shipment of 35,000 tonnes of Apurimac Premium Lump iron ore departed Peru for export to China. Given the volatility of the iron ore price since August 2021, the Consolidated Entity agreed to hedge 100% of this shipment at a fixed (CFR) price of US\$141.50 per tonne prior to completion of the shipment (which will be discharged in China by the end of September 2021). The Consolidated Entity has received a total of approximately US\$6 million in prepayments under the Offtake Agreement (referred to in Note 25(h)). Approximately US\$5 million has been applied towards settlement of the first shipment. The balance of the prepayments (US\$1 million) will be applied towards settlement of the second shipment under the Offtake Agreement.
- (b) On 9 September 2021, the Consolidated Entity entered into an iron ore sale agreement with a South American steel mill for 15,000 tonnes of Apurimac Premium Lump iron ore, with shipment scheduled for October 2021. The Consolidated Entity has fixed an (FOB) market price for this shipment (which is at a premium to the current benchmark price), with payment to be received under a letter of credit after the shipment's departure from Peru.

No other matter or circumstance has arisen since the end of the financial 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

The Directors of the Company declare that:

- (1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 24 to 51 are in accordance with the *Corporations Act 2001 (Cth)* and:
  - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of their performance for the year ended on that date;
- (2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Managing Director (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001 (Cth)*.



Farooq Khan  
Executive Chairman



William Johnson  
Managing Director

24 September 2021



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

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of Strike Resources Limited (“the Company”) and its controlled entities (“the Group”) which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
STRIKE RESOURCES LIMITED (continued)**

<b><i>Key Audit Matter - Investment in Associate Entity</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>As disclosed in Notes 20 and 21 a key audit matter during the year was the restructure of newly incorporated subsidiary Lithium Energy Limited. Following the restructure, the Company's 100% shareholding in Lithium Energy Limited was diluted to 43% on completion of an initial public offering of its shares on the Australian Securities Exchange.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• An assessment of the accounting treatment of the restructure and subsequent initial public offering, which resulted in loss of control of Lithium Energy Limited;</li> <li>• Consideration of the directors assessment of factors indicating loss of control; and</li> <li>• Assessment of the Company's investment in Lithium Energy Limited in accordance with AASB 128.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
<b><i>Key Audit Matter - Cash and Cash Equivalents</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Group's cash and cash equivalents make up 78% of total current assets by value and are considered to be the key driver of the Group's operations and exploration activities.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Group's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Documenting and assessing the processes and controls in place to record cash transactions;</li> <li>• Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and</li> <li>• Agreeing significant cash holdings to independent third-party confirmations.</li> </ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
STRIKE RESOURCES LIMITED (continued)**

<b><i>Key Audit Matter - Exploration and Evaluation Expenditure</i></b>	<b><i>How our Audit Addressed the Key Audit Matter</i></b>
<p>The Group incurred significant exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"><li>• We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</li><li>• We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and</li><li>• We documented and assessed the processes and controls in place to record exploration and evaluation transactions.</li></ul> <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
STRIKE RESOURCES LIMITED (continued)**

***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx).

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
STRIKE RESOURCES LIMITED (continued)

*Report on the Remuneration Report*

*Opinion on the Remuneration Report*

We have audited the remuneration report included in the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of Strike Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Dated 24 September 2021

Daniel Dalla  
Partner

# SECURITIES INFORMATION

## as at 30 June 2021

### SECURITIES ON ISSUE

Class of Security	Quoted on ASX	Unlisted
Fully paid ordinary shares	270,000,000	-
Broker's Options (\$0.15, 30 November 2023) <sup>49</sup>	--	1,000,000
Directors' Options (\$0.185, 3 December 2023) <sup>50</sup>	-	12,000,000
Securities Incentive Plan (SIP) Options (\$0.21, 23 December 2023) <sup>51</sup>	-	1,500,000
Broker's Options (\$0.33, 3 June 2024) <sup>52</sup>	-	1,000,000
<b>Total</b>	<b>270,000,000</b>	<b>15,500,000</b>

The SIP Options (\$0.21, 23 December 2023) lapsed on 6 August 2021 pursuant to their terms of issue.<sup>53</sup>

### DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	351	138,012	0.05%
1,001	-	5,000	805	2,495,068	0.92%
5,001	-	10,000	443	3,597,713	1.33%
10,001	-	100,000	987	39,145,941	14.50%
100,001	-	and over	301	224,623,266	83.19%
<b>TOTAL</b>			<b>2,887</b>	<b>270,000,000</b>	<b>100%</b>

### UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,851	486	333,039	0.12%
1,852	-	over	2,401	269,666,961	99.88%
<b>TOTAL</b>			<b>2,887</b>	<b>270,000,000</b>	<b>100%</b>

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 1,851 shares or less (being a value of \$500 or less in total), based upon the Company's closing share price of \$0.27 on 30 June 2021.

49 Refer Strike's ASX Announcement dated 25 November 2020: Proposed Issue of Securities

50 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

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

52 Refer Strike's ASX Announcement dated 4 June 2021: Appendix 3G – Notification of Issue of 1M Broker Options

53 Refer Strike's ASX Announcement dated 10 September 2021: Lapse of Unlisted Options

# SECURITIES INFORMATION

## as at 30 June 2021

### TOP TWENTY, ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	53,689,857	19.89
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,892,347	9.96
3	GOOD IMPORTING INTERNATIONAL PTY LTD	12,350,910	
	MR ZHOUFENG ZHANG	1,239,556	
	MS HONG XU	601,873	
	Sub-total	14,192,339	5.26
4	ORION EQUITIES LIMITED	10,000,000	3.70
5	MRS AMBREEN CHAUDHRI	10,000,000	3.70
6	NORFOLK BLUE PTY LTD	6,750,000	2.50
7	IRIS SYDNEY HOLDINGS PTY LTD	4,650,000	1.72
8	MR ADAM WILLIAM CONNON & MRS BELINDA ANN CONNON	3,450,000	1.28
9	MR VU QUANG MINH DANG & MRS THI KIM DAU NGUYEN	3,259,255	1.21
10	BNP PARIBAS NOMINEES PTY LTD	2,706,369	1.00
11	MR HONGWEI YAO	2,344,515	0.87
12	MR FAROOQ KHAN & MS ROSANNA DECAMPO	1,813,231	0.67
13	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,777,129	0.66
14	O'SHEA & BROWN PTY LTD	1,750,000	0.65
15	LAVISH LIMOUSINES PTY LTD	1,750,000	0.65
16	MR NISCHAL DINESH JEENA	1,700,000	0.63
17	MR ANDREW FERGUSON	1,500,000	0.56
18	MR RICHARD DAVID SIMPSON	1,414,273	0.52
19	CITICORP NOMINEES PTY LIMITED	1,388,706	0.51
20	MISS RIA JOANNE NEFF	1,246,716	0.46
	<b>TOTAL</b>	<b>152,274,737</b>	<b>56.40%</b>

### SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares Held	% Voting Power
Bentley Capital Limited (ASX:BEL) <sup>54</sup>	Bentley Capital Limited	53,689,857	19.89%
Windfel Properties Limited and Associates <sup>55</sup>	HSBC Custody Nominees (Australia) Limited	25,825,000	9.56%
Good Importing International Pty Ltd and Associates <sup>56</sup>	Good Importing International Pty Ltd Mr Zhoufeng Zhang Ms Hong Xu	12,350,910 1,239,556 601,873	5.26%
Orion Equities Limited (ASX:OEQ) <sup>57</sup>	Orion Equities Limited Bentley Capital Limited	10,000,000 53,689,857	23.59%
Queste Communications Ltd (ASX:QUE) <sup>58</sup>	Orion Equities Limited Bentley Capital Limited	10,000,000 53,689,857	23.59%

54 Refer Bentley's ASX Announcement dated 9 June 2021: Notice of Change in Interests of Substantial Holder in SRK

55 Refer Notice of Change in Interests of Substantial Holder (Windfel Properties Limited) dated 3 December 2020 (updated to reflect current registered shareholdings and percentage voting power)

56 Refer Notice of Initial Substantial Holder filed by Good Importing International Pty Ltd and Associates dated 27 May 2021 (updated to reflect current registered shareholdings and percentage voting power)

57 Refer Orion's ASX Announcement dated 9 June 2021: Notice of Change in Interests of Substantial Holder in SRK

58 Refer Queste's ASX announcement dated 9 June 2021: Notice of Change in Interests of Substantial Holder in SRK; 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