

## MARKET ANNOUNCEMENT

### Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to announce that metallurgical test-work conducted by Independent Metallurgical Operations Pty Ltd (**IMO**) has confirmed that graphite from the high-grade Burke Graphite Project in Queensland is potentially suitable as anode material for use in lithium-ion electric vehicle (EV), grid storage batteries and for the production of Graphene.

#### Burke Graphite – Lithium-ion Battery Usage

Graphite is an important component in the manufacture of lithium-ion batteries (there is typically at least 10 times more graphite than lithium by weight in a lithium-ion battery). The use of lithium-ion batteries (and hence the demand for graphite) is expected to dramatically increase over the coming years as environmental and regulatory issues force vehicle manufacturers to move away from fossil fuel-powered engines. In addition, the massive growth of solar, wind and other renewable power sources requires a commensurate increase in the use of grid storage batteries in order to smooth the impact of irregular power supply from these sources.

To test the potential suitability of the Burke graphite for use in lithium-ion batteries (and other applications), an industry standard graphite flotation process was applied to core samples taken at a depth of 41.0 – 56.5 metres from diamond drill hole BGDD001 (refer *Figures 3 and 4*).

The flotation tests confirmed that a concentrate of purity in excess of 95% and up to 99% Total Graphitic Carbon (TGC) can be produced using a standard flotation process, where 95% purity is typically considered as the threshold for saleable graphite concentrate.

Of particular note is the distribution of flake sizes produced from the flotation, where the majority (67.9%) of the resulting flake graphite material is characterised as “ultra-fine” (flakes less than 38 microns in size). High purity ultra-fine flake graphite material can be particularly suited for use in lithium-ion batteries, which typically use graphite particle sizes of between 5 – 25 microns for anode material. Strike is therefore encouraged by these initial results.

#### Burke Graphite – Graphene Production Potential

Graphene is a recently discovered “wonder material” that offers tremendous opportunities in a range of industries, possessing exceptional qualities of strength, electrical and thermal conductivity and impermeability.

Graphene is technically defined as a single atom layer of crystalline carbon in a two dimensional ‘honeycomb’ type structure, but the term “Graphene” is often extended to include material made up of multiple stacked single layers of (single layer) Graphene. Material comprising up to 10 layers of Graphene is sometimes referred to as “Few Layer Graphene” (FLG), whereas material with between 10–150 layers of Graphene is known as “Graphene Nano Platelet” (GNP).

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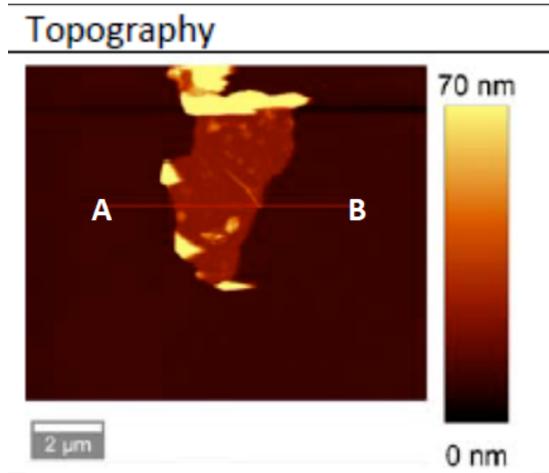
As for single layer Graphene, both FLG and GNP exhibit far superior properties of strength and conductivity when compared to natural graphite and are expected over time to be used in a wide variety of commercial applications.

There are a number of different processes currently being used to create Graphene from natural graphite. In a single test undertaken on a sample of core taken at 51.1 metres depth from diamond drill hole BGDD001 (refer *Figures 3 and 4*), a process known as “Electrochemical Exfoliation” (ECE) was successfully used at Metallurgy Pty Ltd (subsidiary of IMO) to produce pure GNP material from raw Burke graphite.

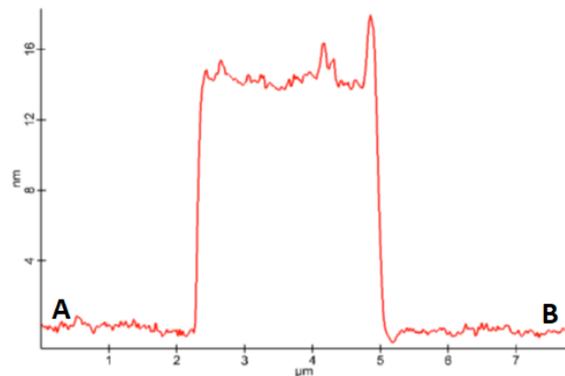
In ECE, a lump of graphite is inserted in a chemical solution and an electric current is passed through the solution, using the graphite as an anode. Layers of Graphene then “peel off” and can be collected through a relatively simple process.

The ECE process is relatively low cost and environmentally friendly compared to other processes - yet it can produce very high purity Graphene. Strike is therefore very pleased that the exceptionally high-grade (~20% TGC) and natural conductivity of the Burke graphite allows it to be used directly as an anode in the ECE process, without the need for any grinding, flotation or other costly processing steps.

The production and composition of the GNP material produced by the ECE process was independently confirmed using standard Atomic Force Microscopy (AFM) and Raman Spectroscopy tests respectively.



*Figure 1: AFM image of Graphene Nano Platelets from the Burke Graphite Project.*



*Figure 2: Thickness of Graphene Nano Platelet across section AB*

*Figure 1* shows an AFM image of a single flake of GNP produced from the ECE test-work process. The different shades of colour in the figure represent the thicknesses of the flake. *Figure 2* shows the thickness of the flake in nanometers (nm) when measured across section AB (shown in *Figure 1*), allowing for the number of layers of Graphene in the flake to be estimated. Using the theoretical thickness of 0.345 nm for a layer of Graphene, the AFM test indicates that the flake of GNP measured is made up of approximately 40 layers of Graphene.

### Next Steps

The initial test-work results are highly encouraging in relation to the potential commercial applications of Burke graphite in the lithium-ion battery and newly emerging Graphene markets.

Strike therefore plans to undertake further test-work to;

- determine the particular types of batteries for which the Burke graphite is most suited and compare with other commercially available graphite. This test-work will involve the laboratory manufacture, load and cycle testing of batteries using graphite taken from the Burke project;
- optimise the Electrochemical Exfoliation (ECE) process used in the test-work and examine the potential for using ECE as a process for producing high quality Graphene Nano Platelet (GNP), Few Layer Graphene (FLG) and/or single layers of Graphene in commercial quantities.

## About the Burke Graphite Project<sup>1</sup>

Strike's Burke Graphite Project contains exceptionally high grades of graphite mineralisation compared to other graphite projects in Australia and overseas.

Recent drilling results included an intersection of 99.8 metres @ 21.1% TGC from 9 metres, defining a zone of mineralisation approximately 75 metres wide and commencing at surface, dipping to the east and extending at least to 100 metres in depth.

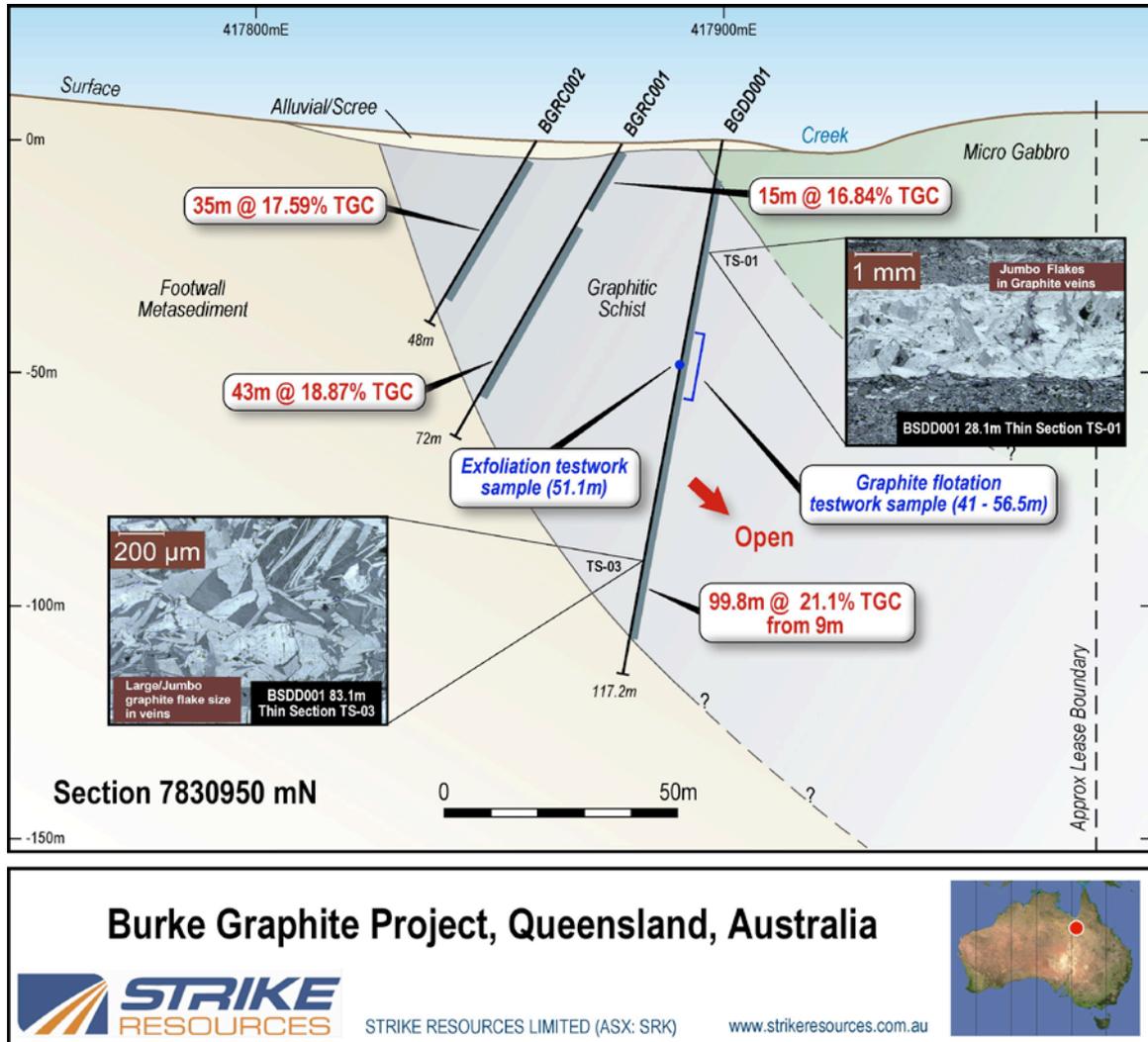


Figure 3: Location of core samples used for testwork.

Refer Strike's ASX announcements dated:

- [21 June 2017: Further High Grade Intersection Encountered at Burke Graphite Project](#)
- [13 June 2017: Extended Intersections of High Grade Graphite Encountered at Burke Graphite Project](#)
- [21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland](#)

<sup>1</sup> Refer also Strike ASX announcement dated [9 November 2016: Strike Secures Graphite Project in Queensland](#)

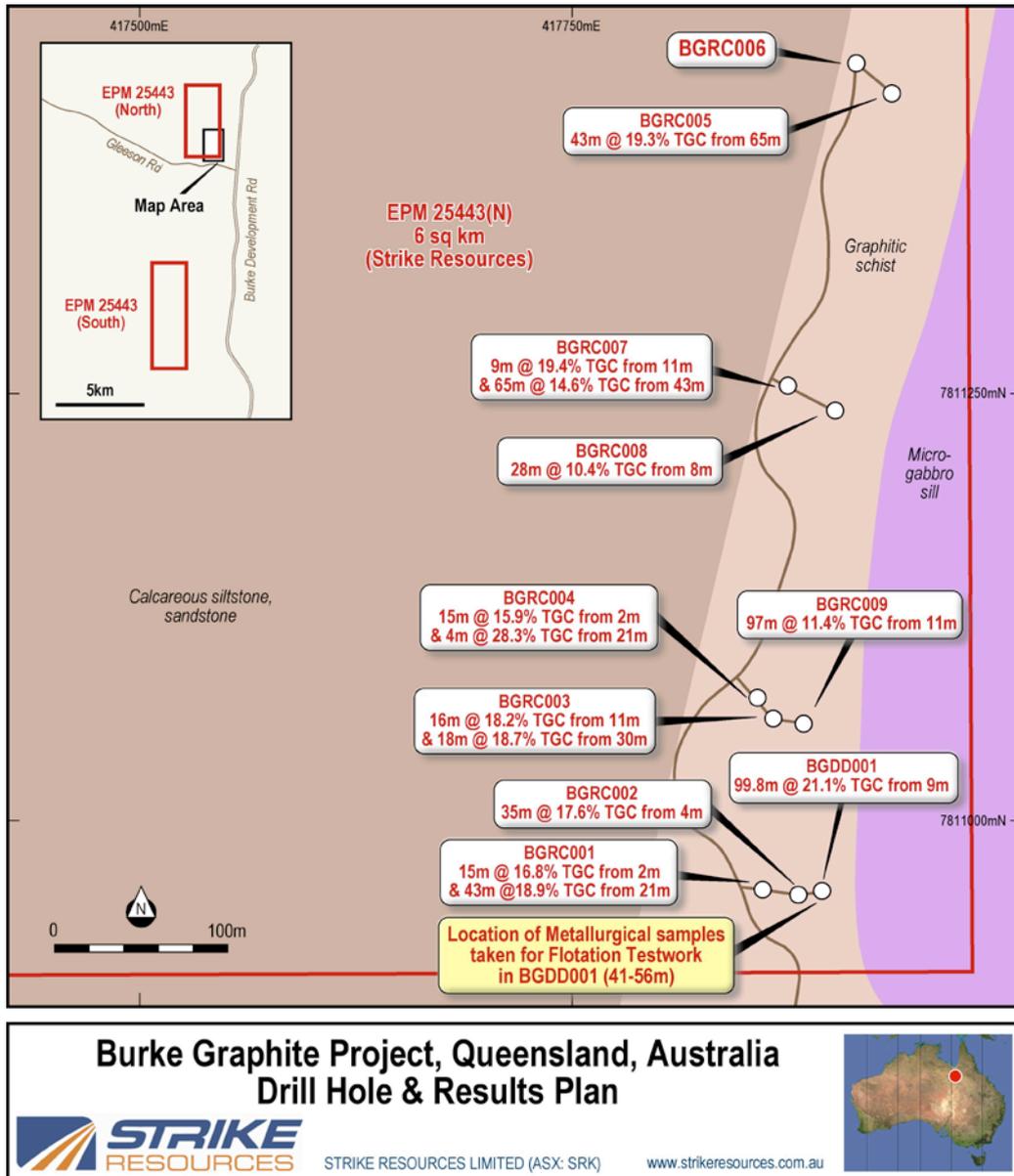


Figure 4: Location of drill holes.

Strike's Burke Graphite Project is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km) (refer Figure 5).

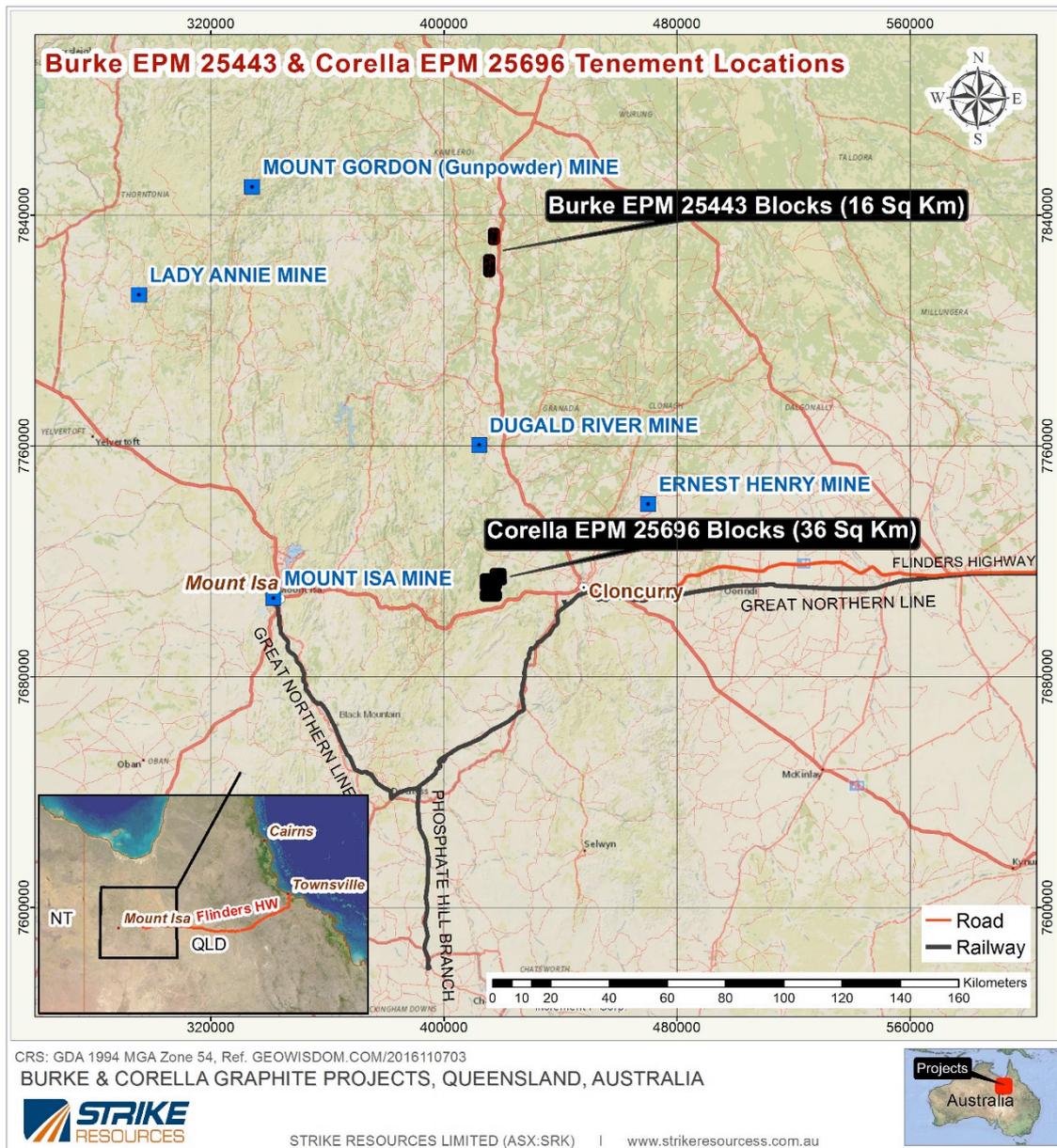


Figure 5 - Burke Graphite Project Tenement Location in North Central Queensland

The Burke graphite occurrence was identified by previous exploration dating back to the 1970's and is hosted by a mapped graphitic schist<sup>2</sup> as a sub unit of the Corella Formation within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within Burke tenement EPM<sup>3</sup> 25443 are intruded by the Black Mountain (1685-1640Ma) gabbro and sills with subsequent metamorphism to amphibolite grade during the Isan Orogeny (1600-1580Ma). The Corella tenement EPM 25696 (~36km<sup>2</sup>) also covers a sequence of mapped graphitic schists within the Corella Formation which have been intruded by gabbro dykes and sills and with subsequent metamorphism to amphibolite grade during the Isan Orogeny.

2 Reference: [Queensland Department of Natural Resources and Mines](#)

3 EPM means exploration permit for minerals

The key Burke tenement EPM 25443 (~16km<sup>2</sup>) comprises two blocks with the northern block (6km<sup>2</sup>) being immediately adjacent to the Mt Dromedary Graphite Project (refer *Figure 6*) held by Novonix (ASX: NVX).

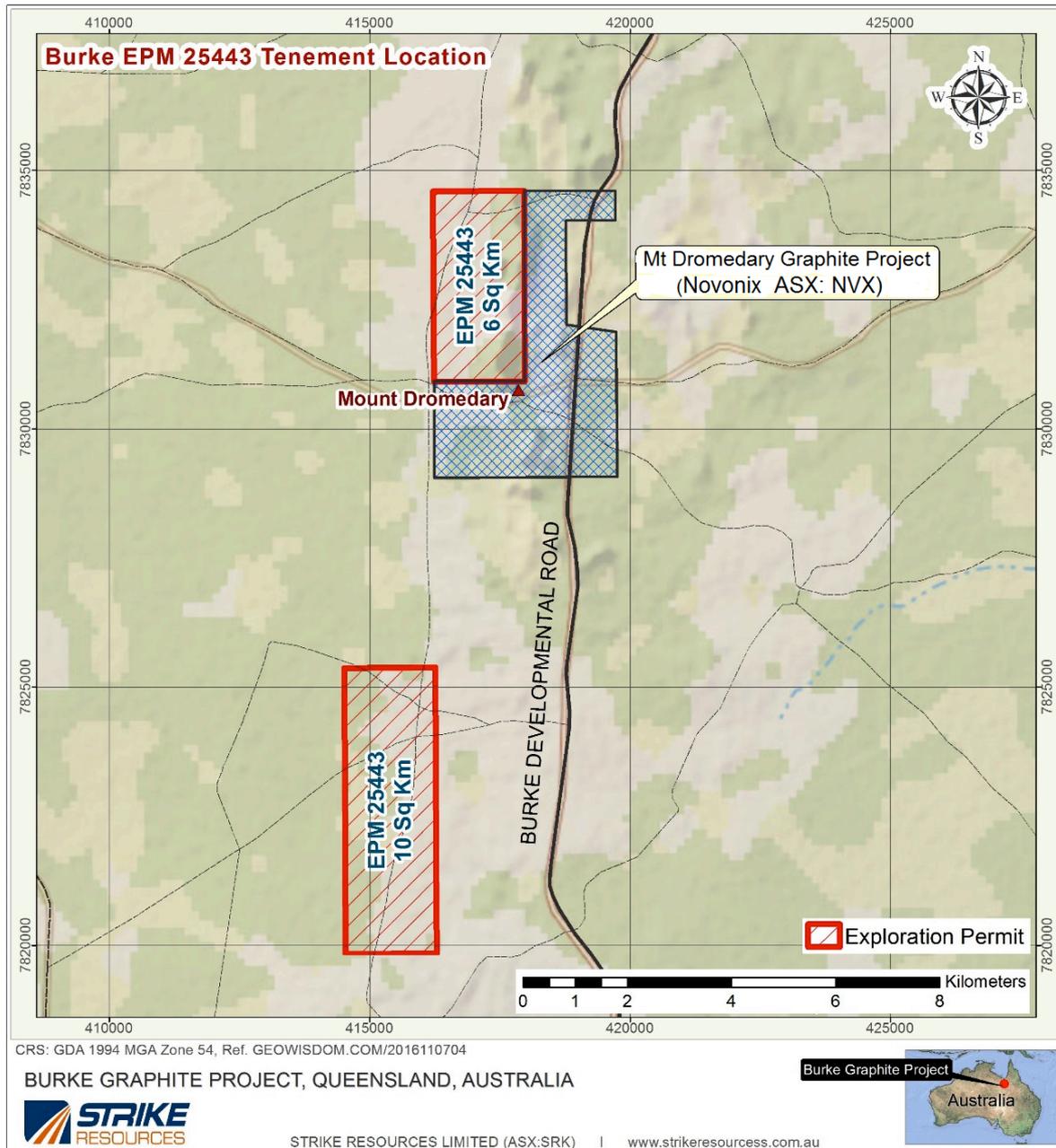


Figure 6 – Burke Tenement EPM 25443 Location

## FOR FURTHER INFORMATION

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## ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company and owns the high grade [Apurimac Magnetite Iron Ore Project](#) and [CUSCO Magnetite Iron Ore Project](#) in Peru and is currently developing its [Burke Graphite Project](#) in Queensland and [lithium](#) exploration tenements in Western Australia.

## ANNEXURE A

JORC Code (2012 Edition)

## – Checklist of Assessment and Reporting Criteria for Exploration Results

## Sampling Techniques and Data

SAMPLING TECHNIQUES AND DATA		
Criteria	JORC Code Explanation Reference	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>Sampling Methodology – Diamond Drill Core</b></p> <p>Detailed geochemical sampling was routinely conducted on a 1-metre interval basis of Quarter-Split Triple Tube HQ drill core collected from the Burke Graphite Project.</p> <p>The HQ Triple Tube Drill Core was initially split 50% using a diamond core saw cutting machine. Half-split core is being retained initially as a visual reference or for use as a bulk metallurgical sample.</p> <p>The remaining Half-Core was then split 50% into Quarter-Core, again using a manual core saw. The Quarter-Split Core was routinely submitted for geochemical analysis. Samples analysed for %TGC by ALS method C-IR18 and for %TC by ALS method C-IR07. Sulphur was assayed for on drill core by ALS method S-IR08</p> <p>The remaining Quarter-Split Core was used as a metallurgical sample.</p> <p>Selective Petrological sampling of some lithological units identified in drill core was undertaken. These petrology samples are by necessity a small sample, but were selected on the basis of being "typical" of the lithological unit from which they were collected.</p> <p><b>Sampling Methodology – Reverse Circulation</b></p> <p>Sampling of the RC drilling was done via a Cyclone with splitter unit attached to the drill rig, with samples taken every 1m.</p> <p>Samples analysed for %TGC by ALS method C-IR18, and for %TC by ALS method C-IR07</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p><b>Diamond Drill Core</b></p> <p>Kelly Drilling was contracted to undertake the Diamond Drilling and supplied a Longyear GK850. HQ Triple Tube diamond core was selected as the optimum sampling method for drilling the graphite mineralised zones at the Burke Graphite Project, on the basis of maximising recovery of graphite, as the method minimises disturbance to core, limiting potential losses in drilling water.</p> <p>Drill core was oriented with a Reflex Act III orientation tool.</p> <p><b>Reverse Circulation</b></p> <p>Kelly Drilling of Cloncurry was contracted to undertake the reverse circulation drilling programme in April 2017. Kelly Drilling supplied a Schramm RC rig. The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods.</p> <p>A combined Cyclone and Sample Splitter unit was fitted to the side of the drill rig. The Cyclone collected a 75% bulk sample in a big calico bag and a 25% sample in a small calico bag.</p>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> </ul>	<p><b>Diamond Drilling</b></p> <p>Diamond Drill Core recovery was routinely recorded every drill run (core barrel of 3m), with overall recovery of &gt; 92.5% achieved for the drillhole.</p>

<b>SAMPLING TECHNIQUES AND DATA</b>		
<b>Criteria</b>	<b>JORC Code Explanation Reference</b>	<b>Commentary</b>
	<ul style="list-style-type: none"> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>An extensive suite of geophysical logging tools was run with sampling every 5cm downhole for density, conductivity, gamma, resistivity and also acoustic logs to verify the continuity of the graphite in zones of poorer recovery.</p> <p><b>RC Drilling</b> Recovery from the Graphitic Schist zone was 100%.</p>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p><b>Logging Drill Core</b></p> <p>Core was initially cleaned to remove drill mud and greases. The core was then orientated using "Top of Core" marks from the Reflex orientation tool, marked into 1m intervals and the core recovery recorded. The core was then photographed using high-resolution digital camera and then geologically logged.</p> <p>Geological logging of Drill Core was routinely undertaken on a systematic one-metre interval basis, recording the following geological data:</p> <ol style="list-style-type: none"> <li>1. Core Recovery</li> <li>2. Rock Lithology</li> <li>3. Colour</li> <li>4. Minerals</li> <li>5. Texture</li> <li>6. Hardness</li> <li>7. Minerology</li> <li>8. Oxidation</li> <li>9. Graphite Content</li> </ol> <p>Geotechnical data was collected, including Rock Quality Designation (RQD), Fracture Density and orientations of structures such as faults, fractures, joints, foliation, bedding, veins recorded.</p> <p>The Specific Gravity was collected using an <i>Archimedes Principle</i> water displacement device.</p> <p>The core was then split into one half and then into 2x quarters using a manual core saw. One ¼ split core was used for geochemical analysis and the other ¼ split core used for bulk Variability metallurgical testing.</p> <p>The core was then stored in a secured container in Mt Isa.</p> <p><b>Logging – Reverse Circulation Drilling</b></p> <p>Geological logging of reverse circulation drill chips was routinely undertaken for each 1-metre interval using similar procedures to core logging (described above).</p> <p>Visual record samples were collected from the large bulk sample and contents placed into a 20-compartment plastic tray. Each chip tray was photographed using a high-resolution digital camera.</p>
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into <i>ALS Minerals</i> sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at <i>ALS Minerals</i> laboratory in Brisbane.</p> <p>Geochemical analysis was by analytical <i>Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR088 Total Sulphur</i>.</p> <p>A Metallurgical sample was taken from 41-56.5m, BGDD001, and consisted of a continuous sample of ¼ HQ core. The sample was used for the Flotation test work.</p> <p>A Metallurgical sample was taken from 51-51.2m, BGD001, and consisted of ½ HQ core. The sample was used for the Exfoliation test work.</p> <p>No work has been completed to determine if sample size is appropriate to the grain size of the material being sampled, with grain size of the graphite being determined post drilling by combination of petrology and metallurgical analysis.</p>

<b>SAMPLING TECHNIQUES AND DATA</b>		
<b>Criteria</b>	<b>JORC Code Explanation Reference</b>	<b>Commentary</b>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p><b>Geochemical Analysis</b></p> <p>One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into <i>ALS Minerals</i> sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at <i>ALS Minerals</i> laboratory in Brisbane.</p> <p>Geochemical analysis was by analytical <i>Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon</i>,</p> <p>The laboratory inserted its own standards, Certified Reference Material (CRM) plus blanks and completed its own QA/QC. Whilst company standards, duplicates and blanks were routinely inserted every 10<sup>th</sup> sample.</p>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p>The QA/QC protocols adopted for Burke Graphite drilling programme involved routinely inserting a Certified Graphite Reference Standard (7 different Standards used), duplicates or Blank sample into the tag book number sequence every 10 samples.</p> <p>The QA/QC sample density is considered to be more than adequate and is very robust. Additional QA/QC controls were also provided by internal laboratory repeats and standards.</p> <p>Laboratory performance and all reported analytical results was statistically evaluated using QA/QC monitoring software. All Certified Reference Materials reported within 1 Standard Deviation of the Certified value.</p>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<p><i>M.H. Lodewyk Pty Ltd</i> licensed surveyors of Mount Isa were contracted to accurately survey each drillhole collar to sub-metre accuracy, using a Differential Positioning System (DGPS) instrument, in the MGA Zone 54 projection.</p> <p>Downhole surveys were routinely collected every 6m, using a <i>Reflex Gyro</i> after completion of the hole, with surveying carried out both going into the hole (inside of rods), and also coming out of the hole. Results were averaged to determine the final drillhole deviation information.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<p>Data was routinely collected on a continuous one-metre interval basis. Samples were collected at one-metre intervals down each hole.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p><b>Drill Hole Orientation</b></p> <p>Drill holes were designed to intersect graphite mineralisation at perpendicular to strike observed in outcrop. Geotechnical data, automatically collected by the <i>High Resolution Acoustic Televiewer</i> and classified by software confirms the foliation structures and indicate data collected from drill core is generally conformable with the schistose fabric foliation of the graphite mineralisation.</p> <p><b>Core Orientation</b></p> <p>Core orientation was routinely undertaken during drilling using a <i>Reflex ACT III</i> tool. The unit is attached to the top of the core inner tube barrel and initialised. The unit is removed and the orientation marked on the Top of Core using a coloured paint marker or chinagraph pencil.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<p>All samples were collected by Strike consultants, retaining chain of custody until delivery to laboratory.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<p>No audits have been undertaken given early stage of exploration project. Strike technical staff will review and implement procedures as appropriate.</p>

## Reporting of Exploration Results

REPORTING OF EXPLORATION RESULTS		
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<p>Exploration Permit for Minerals No 25443 "Mt Dromedary" was lodged with the Queensland Government Department of Mines and Energy on 2 December 2013. The tenement was granted on 4 September 2014 to Burke Minerals Pty Ltd, for a period of five years. Strike holds a 60% interest in the license.</p>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p>The Mount Dromedary graphite occurrences were first identified by Bill Bowes in the 1970's. Mr Bowes was the manager of the nearby Coolullah Station. A few small pits were excavated and no further work was carried out.</p> <p>The Mount Dromedary area was explored by Nord Resources (Pacific) Pty Ltd (EPM 6961) from 1991-1999, Nord collected numerous rock chips and submitted them for petrological and preliminary metallurgical appraisal by <i>Peter Stitt and Associates</i>. The preliminary flotation studies were encouraging and indicated 60-70% flake graphite (&gt;75um size), whilst the flotation techniques utilised failed to achieve suitable recoveries.</p> <p>CRAE Exploration entered into a JV with Nord focusing on Copper exploration, and also did further rock chip sampling and trenching. CRAE's internal Advanced Technical Development division did a brief petrographical review which indicated the samples were predominately &lt; 75um. Based on this advice exploration activity by CRAE for Graphite ceased.</p>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<p>The Mt Dromedary Graphite project on EPM25443 was identified by previous exploration dating back to the 1970's, and is hosted by a mapped graphitic schist (Qld Dept. NRM) as a sub unit of the Corella Formation, within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within the Burke Minerals EPM 25443, are intruded by the Black Mountain (1685-1640Ma) gabbro, and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny 1600-1580Ma.</p> <p>The Corella Graphite Project EPM 25696 also covers a sequence of mapped graphitic schists within the Corella Formation, which also have been intruded by gabbro dykes and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny 1600-1580Ma.</p> <p>At both Projects the style of mineralisation sought is crystalline graphite within the graphitic schists</p>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar or elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth of hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>Holes were orientated to intersect outcropping graphitic schists with a dip angle of 60o, the drillhole azimuth was aimed to perpendicular intersect graphite beds.</p> <p>Downhole surveys were taken with the Reflex Gyro every 6m. With the survey being done within the drill rods, by running the Gyro down the inside of the rods at the end of the drillhole, surveying going down and coming out of the hole.</p> <p><b>Diamond Drill Core</b></p> <p>Diamond core drilling was undertaken and HQT core recovered in 3m core barrels.</p> <p>Core orientation was routinely undertaken during drilling using a <i>Reflex ACT III</i> tool.</p> <p><b>Reverse Circulation</b></p> <p>The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods.</p> <p>Full details of the collar location, azimuth, depth are reported in Table 4 of Strike's ASX announcement dated <a href="#">21 June 2017: Further High Grade Intersection Encountered at Burke Graphite Project.</a></p>

REPORTING OF EXPLORATION RESULTS		
Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>Graphite intersections were aggregated into composited mineralised intervals on the basis of &gt;2m widths and &gt;10% TGC for "High Grade".</p> <p>Intersection widths of &gt;10m and &gt;10% TGC were regarded as "highly significant".</p> <p>The composited graphite Intersections are reported in Table 3 of Strike's ASX announcement dated <a href="#">21 June 2017: Further High Grade Intersection Encountered at Burke Graphite Project</a>.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<p>Foliation structural data from the borehole televiewer and structural core measurements indicates the graphite mineralisation was intersected orthogonally down-dip and is close to true width.</p> <p>The graphite schist is relatively undisturbed other than broad folding, offset faulting and tith foliation is interpreted to represent original bedding.</p>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to) geological observations, geophysical survey results, bulk samples – size and method of treatment, metallurgical test results, bulk density, groundwater, geotechnical and rock characteristics, potential deleterious or contaminating substances.</i></li> </ul>	<p><b>Metallurgical Flotation</b> test-work was carried out by Independent Metallurgical Operations Pty Ltd (<b>IMO</b>), Perth, Western Australia. IMO is an Independent Metallurgical contractor with specific expertise in graphite flotation test-work.</p> <p>A Metallurgical sample was taken from 41-56.5m, BGDD001, and consisted of a continuous sample of ¼ HQ core. The sample was used for the Flotation test work.</p> <p><b>Metallurgical Exfoliation</b> test-work was carried out by IMO, which has previous experience in exfoliation test-work.</p> <p>A Metallurgical sample was taken from 51-51.2m, BGD001, and consisted of ½ HQ core. The sample was used for the Exfoliation test work.</p>

## JORC CODE (2012) COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Results in relation to the Burke EPM 25443 and Corella EPM 25696 tenements is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of [The Australasian Institute of Geoscientists](#) (AIG). Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the [2012 Edition](#) of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Mr Smith has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The information in this document that relates to metallurgical test work is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been engaged by Strike Resources Limited to provide metallurgical consulting services. Mr Adamini has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.