

# QUARTERLY REPORT

## COMPANY DETAILS

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### ASX CODE

SRK

### SECURITIES ON ISSUE

145,334,268 listed shares

### BOARD OF DIRECTORS

**Farooq Khan**  
(Chairman)

**William Johnson**  
(Managing Director)

**Malcolm Richmond**  
(Non-Executive Director)

**Matthew Hammond**  
(Non-Executive Director)

**Victor Ho**  
(Director)

### COMPANY SECRETARY

**Victor Ho**  
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## FOR FURTHER INFORMATION

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30 April 2019

## QUARTERLY ACTIVITIES

Strike Resources Limited (**Strike**) presents its Quarterly Report for the quarter ended 31 March 2019. As at 31 March 2019, Strike had net assets of ~\$4.291 million (comprising ~\$2.124 million gross cash, ~\$1.511 million investments<sup>1</sup> and ~\$0.744 million in other assets less provisions/accruals/trade creditors of ~\$0.088 million).

### Solaroz Lithium Brine Project (Argentina)

The Company acquired a 90% interest in the highly prospective Solaroz Lithium Brine Project (**Solaroz**), located in the heart of the South American 'Lithium Triangle', Argentina.

Solaroz is located within the same Salar de Olaroz Basin, and directly adjacent to Orocobre's Salar de Olaroz lithium project.

Strike is planning an extensive exploration programme to test for the occurrence of lithium-rich brine beneath the Solarez Concessions.

### Burke Graphite Project (Queensland)

Metallurgical test work has continued this quarter on samples of graphite material from the Burke Graphite Project, to examine the potential suitability of the Burke Project graphite for use in electric vehicle (**EV**) batteries. The Company has also participated in a joint application for a Government grant to develop new battery anode technology using its natural Burke Graphite.

### Apurimac Iron Project (Peru)

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation. The Peru Government has commissioned a study into building a 570km multi-railway, which would connect Strike's Apurimac Iron Ore Project to a multi-user port on the west coast of Peru. Subsequent to the end of the quarter, the Company executed a Cooperation and Confidentiality Agreement with the consortium undertaking the railway study to provide input and assistance to the study.

### About Strike Resources Limited (ASX:SRK)

Strike Resources is an ASX listed resource company developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina; the Burke Graphite Project in Queensland, Australia; and a lithium exploration tenement in Western Australia. Strike also owns the high-grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project.

<sup>1</sup> Investments comprise liquid investments in a diversified portfolio of various ASX 200 listed resource stocks

## PROJECTS

### Acquisition of Solaroz Lithium Project (Argentina)

During the quarter, Strike entered into an agreement to acquire a 90% interest in the highly prospective Solaroz Lithium Brine Project (**Solaroz**) within South America's 'Lithium Triangle' in North-West Argentina.

Solaroz comprises concessions (**Solaroz Concessions**) totalling 12,000 hectares in area, mostly adjacent to and principally surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE - market capitalisation ~A\$1 billion) and TSX-listed Lithium Americas Corporation (TSX:LAC - market capitalisation ~C\$500 million).

Solaroz is located in the same Salar de Olaroz Basin as and directly adjacent to the producing Salar de Olaroz Lithium Brine Project operated by Orocobre and its JV partner, Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015).

The location of Solaroz is considered by Strike to be highly strategic and prospective for containing commercial quantities and concentrations of lithium-rich brine, since Strike believes that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under Strike's Solaroz Concessions. This will be tested by geophysical work and drilling in due course with a view to fast tracking production of lithium carbonate dependent upon these works being successfully concluded.

### Solaroz Concessions

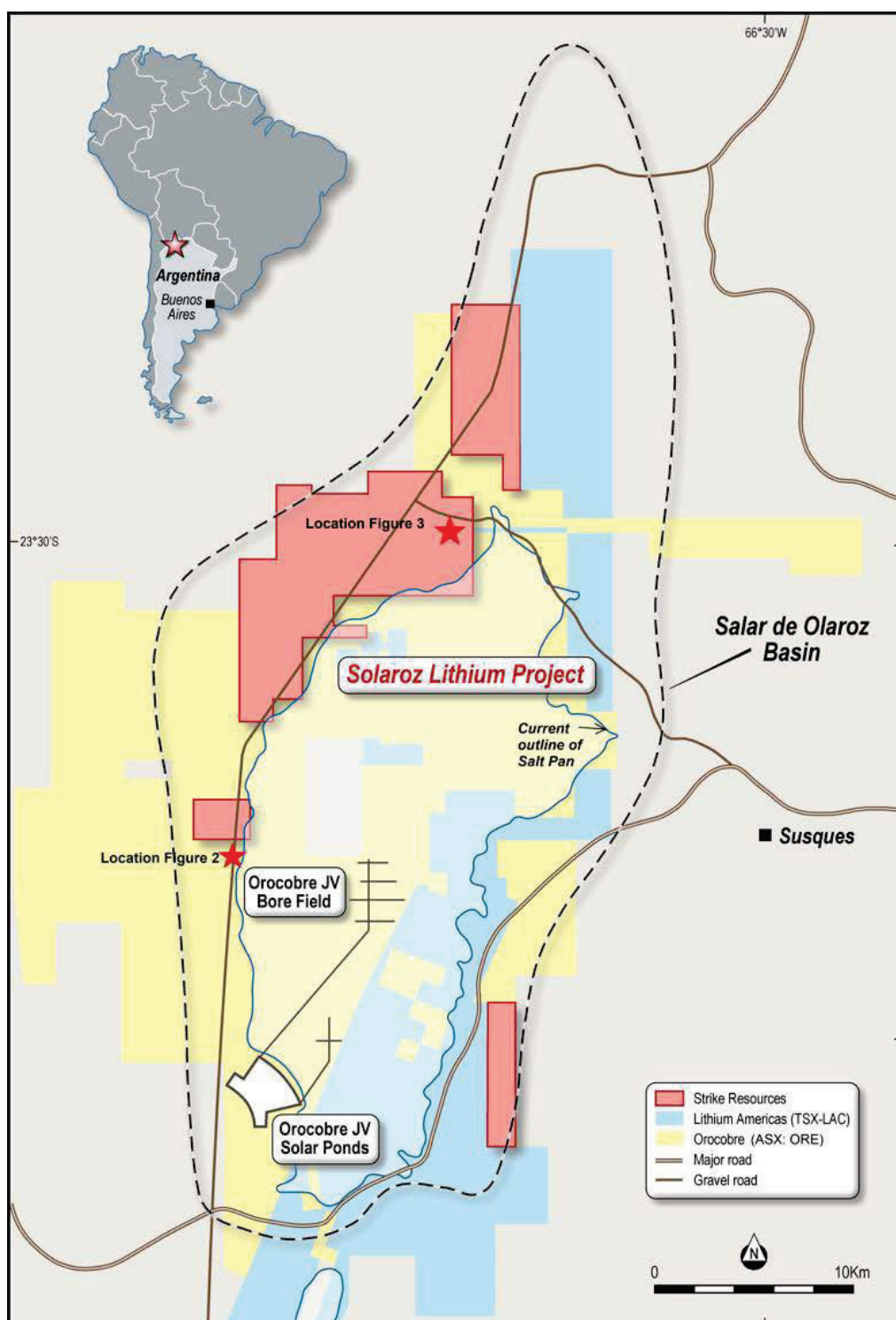
The Solaroz Concessions comprise 8 (eight) exploitation concessions totaling 12,000 hectares (refer *Figure 1*) in Jujuy Province in northern Argentina, approximately 230 kilometres north-west of the capital city of Jujuy. The Solaroz Concessions lie at an altitude of approximately 3,900 metres and are accessed by good quality road infrastructure.

The location is supported by favourable conditions in terms of both the operating environment and local infrastructure. Very limited rainfall combined with dry, windy conditions create the ideal environment for the brine-evaporation process.

The area is also serviced by a gas pipeline which intersects the Solaroz Concessions, high voltage electricity, and paved highways. Three major seaports, Buenos Aires in Argentina, Antofagasta and Iquique in Chile, are serviced by international carriers and are easily accessible by road and/or rail.

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

Strike's interpretation of the basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Orocobre (and targeted by other exploration and development companies in the area) extends under the Solaroz Concessions (refer *Figure 2*).



### Solaroz Lithium Project, Argentina Concession Location Plan

Figure 1: Solaroz Project – Location of Concessions



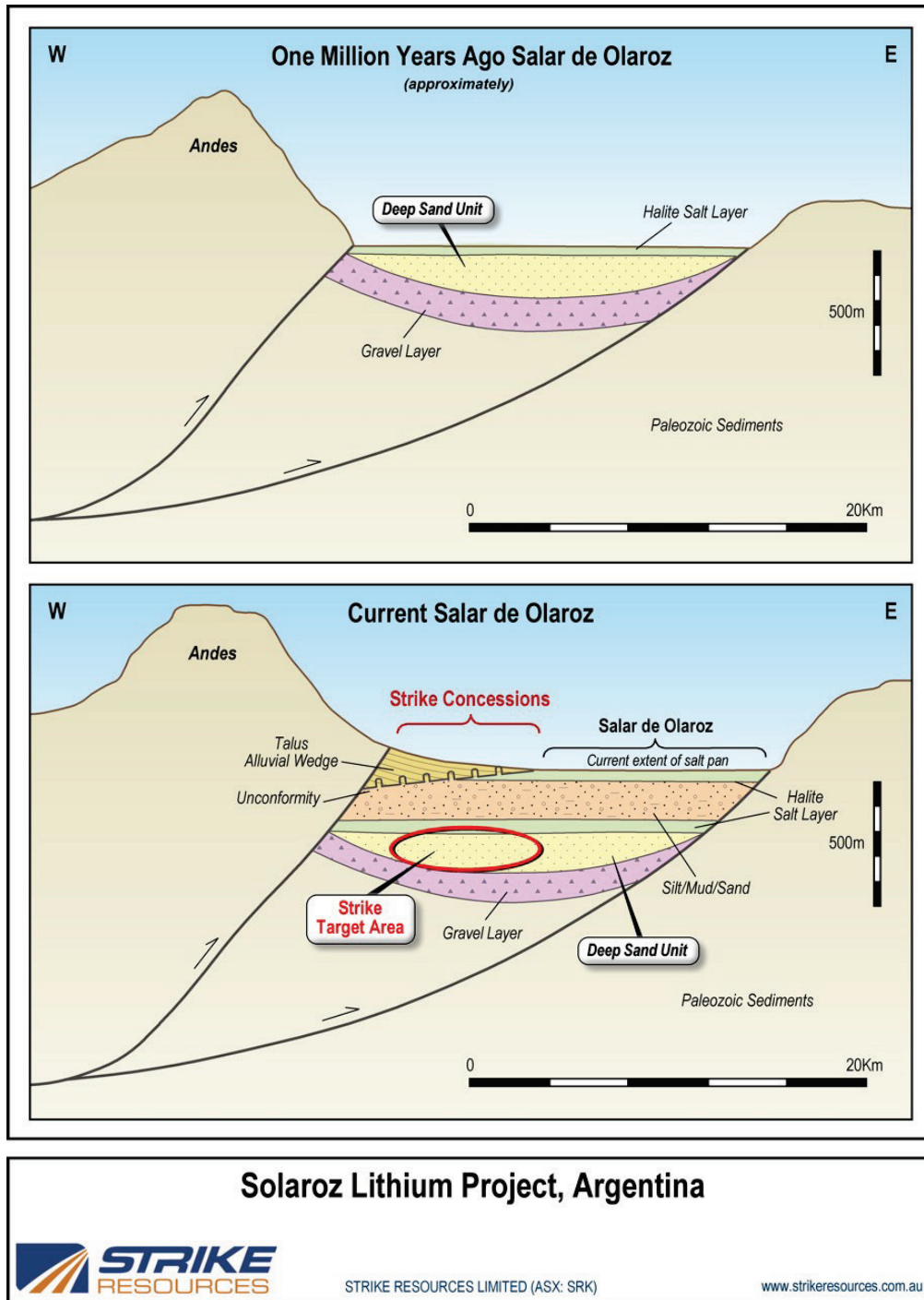


Figure 2: Geological cross sections depicting evolution of Olaroz Salar Basin and Strike's primary target zone for lithium mineralisation

The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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

Strike's Exploration Target is based on the interpretation that the alluvial deposits upon which the Solaroz Concessions are located (at the North-West corner of the Salar) have been deposited relatively recently and lie directly above the productive deep sand unit of the lithium rich aquifer from which Orocobre is extracting its brine (refer "Deep Sand Unit", shown in yellow in *Figure 2*). The potential quantity and grade of Strike's Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Strike's geological interpretation indicates that the majority of the Solaroz Concessions are likely to lie directly over the productive lithium rich aquifer. Previously published geophysical studies undertaken by Orocobre<sup>2</sup> indicate that the sub-surface brine hosting aquifers appear to extend well outside the boundaries of the visible salt area and to depth and adds evidence supporting the likelihood of lithium rich brine hosted beneath the Solaroz Concessions.

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

## Commencement of Environmental Impact Assessment

Subsequent to the end of the quarter and following a positive meeting with the Secretary of Mines of Jujuy Province in Argentina, Strike has now commenced the preparation of an Environmental Impact Assessment (EIA) for exploration work at Solaroz. This will include collecting and monitoring baseline environmental data and preparing a detailed proposed fieldwork programme for submission to the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at Solaroz).

The EIA will include:

- Environmental Information: Location of the Project; geomorphological units; weather description of the area; hydrological bodies in the area; depth of groundwater; water destination; soil use and destination; identification of Protected Areas; sites with historical, cultural, archaeological or paleontological value.
- Description of the Fieldwork: Objective of the exploration works; access to the Project; fieldwork that will be developed; camp and facilities; number of employees; water source, quality and consumption; energy, type and use; chemicals, fuels and lubricants.
- Environmental Impact: Environmental impact of exploration works to geomorphology, water, soil, flora, fauna and the sociocultural environment.
- Environmental Prevention and Mitigation: Measurement and, where applicable, prevention and mitigation of any environmental impacts.

The EIA will cover exploration works for a 2-year period. The EIA preparation will involve a number of baseline studies and a process of consultation with impacted local communities and it is expected that preparation of the EIA (including community consultation) will take approximately 3 months.

Strike's planned exploration programme (subject to approval of the EIA) consists of geophysical surveys, followed by drilling, sampling and flow rate testing in the event that sufficient brine is intersected.

For further details please refer to Strike's announcements:

- 13 March 2019: "Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle".
- 17 April 2019: "Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina".

<sup>2</sup> Reference: Olaroz Technical Report dated 13 May 2011: Salar De Olaroz Lithium-Potash Project, Jujuy Province, Argentina

## Lithium in Argentina

Argentina holds the world's biggest lithium resources (as brine deposits) and is currently the world's third largest producer of lithium, after Australia and Chile.

One of the key attractions of lithium brine projects in Argentina is their low cost of production compared to hard rock lithium projects – Argentinian (and Chilean) lithium brine projects are well recognised as being the lowest on the lithium carbonate production cost curve.

The principle reason for the low operating cost is that lithium rich brine, once pumped to the surface (typically from aquifers at up to several hundred metres depth) is then transferred to large evaporation ponds, which rely on free energy from the sun and local atmospheric conditions to concentrate the brine. There are generally no environmentally damaging tailings or toxic by-products.

Strike proposes to follow the well-established and proven production methodology for converting lithium-rich brines into lithium carbonate in a similar manner to existing Argentinian based lithium brine producers.

## Apurimac Iron Ore Project, Peru

Between 2006 and 2014, Strike's primary focus was on the development of its Apurimac Magnetite Iron Ore Project in Peru, 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.

Adverse market conditions however led Strike in 2014 to suspend all development activities on this and its other iron ore projects in Peru.<sup>3</sup>

In early 2018 the Ministry of Transport and Communications in Peru (**MOTC**) announced that it is to undertake a formal study to build a multi-user railway from the inland city of Andahuaylas in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**).<sup>4</sup>

Following a competitive tender process, in October 2018 the MOTC awarded the study to a consortium comprising local Peru subsidiaries of international companies Dohwa Engineering Co. Ltd. (Korea), Geodata Engineering S.P.A. (Italy) and Genera Consulting S.A.C.<sup>5</sup> Whilst no specific guidance has been given by the consortium, Strike expects the study to take approximately 12 months to complete.

Strike's Apurimac Project is located only 20km from the city of Andahuaylas. The proposed railway (approximately 570km in length) would provide a direct link from the Project to an established mineral export port, significantly improving the Project's development prospects. The preliminary railway route proposed by the MOTC (refer Figure 3) almost exactly mirrors the railway route proposed by SKM for Strike in 2008.

Strike understands that the primary motivation behind the MOTC Andahuaylas Railway initiative is to provide economic stimulation to the relatively poorer regions of Ica, Arequipa, Ayacucho and Apurimac. The Apurimac Region in particular, is positioned well inland and has historically suffered from lack of good transport infrastructure connecting it to the coastal areas and the Peru capital, Lima.

The scale of Strike's Apurimac Project, if it proceeds through the Andahuaylas Railway, is likely to provide for very significant economic benefits to the Apurimac Province in terms of both direct investment and job creation. Other mineral projects in the Apurimac and Cusco Regions are also likely to directly benefit from the Andahuaylas Railway.

<sup>3</sup> Refer Strike's ASX Announcements dated 28 February 2014: Legal Injunction and Suspension of Operations in Peru, 13 March 2014 Lifting of Injunction and Strategic Review and 14 April 2014: Exit from Peru

<sup>4</sup> Refer Strike's ASX Announcement dated 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port

<sup>5</sup> Refer Strike's ASX Announcement dated 24 October 2018: Peru Govt Awards Tender for Railway Study





Figure 3: Route of proposed Andahuaylas Railway connecting Strike's Apurimac Project to Port of San Juan de Marcona

A railway has always been considered as the best infrastructure solution for the Apurimac Project, given the high-grade nature of the iron ore deposit. A railway connecting the Project to a Port will provide Strike the ability to attract premium pricing for high-grade lump and fines products, compared to a concentrate product delivered through an alternative slurry pipeline. In addition, a railway will allow for capital and processing costs at the mine to be substantially reduced, given the considerably simplified process to produce lump and fines products from Strike's high grade ore compared to producing a slurry concentrate.

The exceptionally high-grade 57% Fe at Apurimac is almost twice as high as magnetite deposits developed in Australia; ore bodies are coarse-grained and relatively soft, resulting in potentially cheaper processing costs once in production:

- JORC Indicated and Inferred Mineral Resource at the main Opaban I/III concessions of 269Mt of iron ore at 57.3% Fe (142 Mt Indicated Resource at 57.84% Fe and 127 Mt Inferred Resource at 56.7% Fe).
- Mineralisation predominantly high-grade, coarse-grained magnetite providing comparatively high mass recoveries (>60%) at coarse grind size (>500 microns).
- Excellent exploration potential within current concessions with several targets containing ironstones grading >60% Fe in similar geological settings to the main Opaban concessions.

A Pre-Feasibility Study completed in 2008<sup>6</sup> and updated in 2010<sup>7</sup> on the Apurimac Project indicated clear potential for development of a world class iron ore project:

- The 2008 Pre-Feasibility Study undertaken by Snowden Mining Industry Consultants and SKM utilised a proposed slurry pipeline configuration but considered a range of infrastructure options including a railway. The concentrate pipeline was the preferred transport solution (under the study) as the additional capital cost of building a railway compared to a slurry pipeline outweighed the operational and other benefits of a railway. For further details, refer to Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru.

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

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

- Further infrastructure studies were undertaken by Ausenco Sandwell and SRK Consulting in 2010, including a more detailed technical and costing study on building and operating a dedicated railway. The purpose of these studies was to further compare the economics of the slurry pipeline versus railway infrastructure solutions at various production levels. For further details, refer to Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report.

Since the completion of the studies referred to above, Strike has continued to evaluate its development options for the Project. With falling iron ore prices and a global investment climate in recent years not supportive of large scale iron-ore related infrastructure projects, Strike has acted to minimise its Project-related costs until market conditions improved.

With spot prices for iron ore strengthening from the lows of approximately US\$40 per tonne in December 2015 to approximately US\$91/t as at 29 April 2019 (with a 12 month trading range of approximately US\$65/t to 95/t)<sup>8</sup>, the timing of the MOTC Andahuaylas Railway initiative, being co-incident with strengthening iron ore prices, is considered by Strike to be extremely positive for the Project.

The Company is highly encouraged by the prospect of the Andahuaylas Railway, particularly given the recent award of the tender for the railway study.

Included in the 2008 and 2010 studies referred to above, was a comprehensive study undertaken by international engineering companies into the technical and commercial aspects of building a railway from Andahuaylas to San Juan de Marcona. A detailed route alignment was mapped by Strike, together with capital and operating cost estimates (in the order of +/- 20%) relating to:

- track infrastructure;
- equipment, including locomotives, ore wagons, maintenance of way machines, vehicles etc;
- maintenance and operating facilities, including repair shops, tools and equipment, railway offices, communications and train control equipment, bunkhouses and on line buildings; and
- railway system manpower.

Subsequent to the end of the quarter, the Company executed a Cooperation and Confidentiality Agreement<sup>9</sup> with the consortium undertaking the Government funded railway study, to provide input and assistance to the study. Under this agreement, strike is sharing its earlier railway study referred to above, with the current study consortium and has committed to provide additional assistance as necessary to assist with the current study.

Strike is planning to re-start project activity in Peru, subject to the development timetable of the railway.

### **Cusco Iron Ore Project, Peru**

The Cusco Project lies approximately 150km to the south - east of Apurimac and forms a potential secondary development target for Strike in Peru with an initial Inferred Resource estimate of 104Mt at 32.6% Fe.

Like Apurimac, iron ore mineralisation at the project is coarse-grained and dominated by magnetite, with high grades recorded. Preliminary metallurgical tests indicate a concentrate grade of >65% Fe could be produced from this ore using conventional grinding and magnetic separation processes.

Whilst no detailed work has been undertaken on a railway route between Strike's Apurimac and Cusco Projects, it is clear that if the Andahuaylas Railway proceeds, a 'spur line' from Andahuaylas to Strike's Cusco Project would (subject to technical and commercial feasibility) be a very sensible consideration, given the proximity of several other major mining projects nearby Strike's Cusco Project which would also benefit from such a rail link.

<sup>8</sup> Source: <https://www.marketindex.com.au/iron-ore> (Industry standard NYMEXtraded 62% Fe, CFR China)

<sup>9</sup> Refer Strike's ASX Announcement dated 18 April 2019: Strike Enters into Cooperation Agreement with Peru Railway Consortium



## Burke Graphite Project, Queensland

Strike's Burke Graphite Project (in which Strike holds a ~70% interest) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

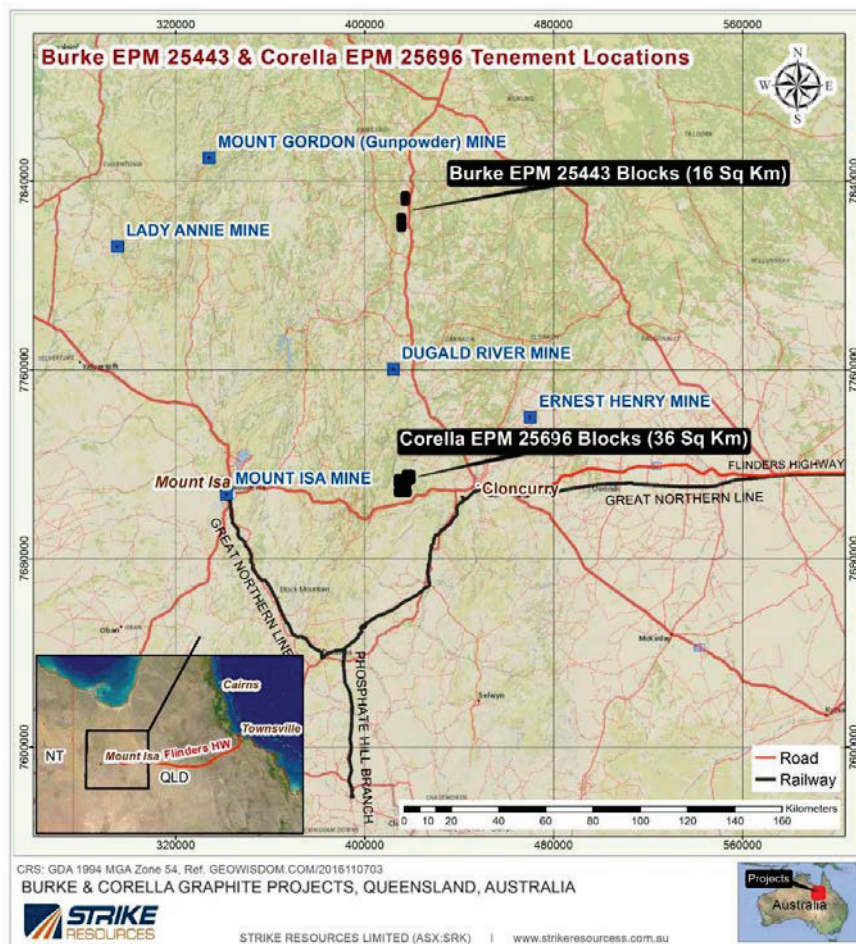


Figure 4 - Burke Graphite Project Tenement Location in North Central Queensland

A Mineral Resource Estimate (MRE) for the Project has defined a maiden Inferred Mineral Resource of <sup>10</sup>:

- **6.3 million tonnes @ 16.0% Total Graphitic Carbon (TGC)** for **1,000,000 tonnes** of contained graphite;
- Within the mineralisation envelope there is included higher grade material of **2.3 million tonnes @ 20.6% TGC** (with a TGC cut-off grade of 18%) for **464,000 tonnes** of contained graphite which will be investigated further.

These grades place the Burke deposit as one of the highest-grade deposits of graphite in the world held by an Australian listed company.

<sup>10</sup> Refer Grade Tonnage Data in Table 2 of CSA Global's Burke Graphite Project MRE Technical Summary dated 9 November 2017 (attached as Annexure A of Strike's ASX Announcement dated 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits).

Based upon the MRE for the Project referred to above, the following Chart illustrates the TGC grades of published Total JORC Resource/Reserves of selected ASX Listed Graphite Projects relative to the Burke Project.

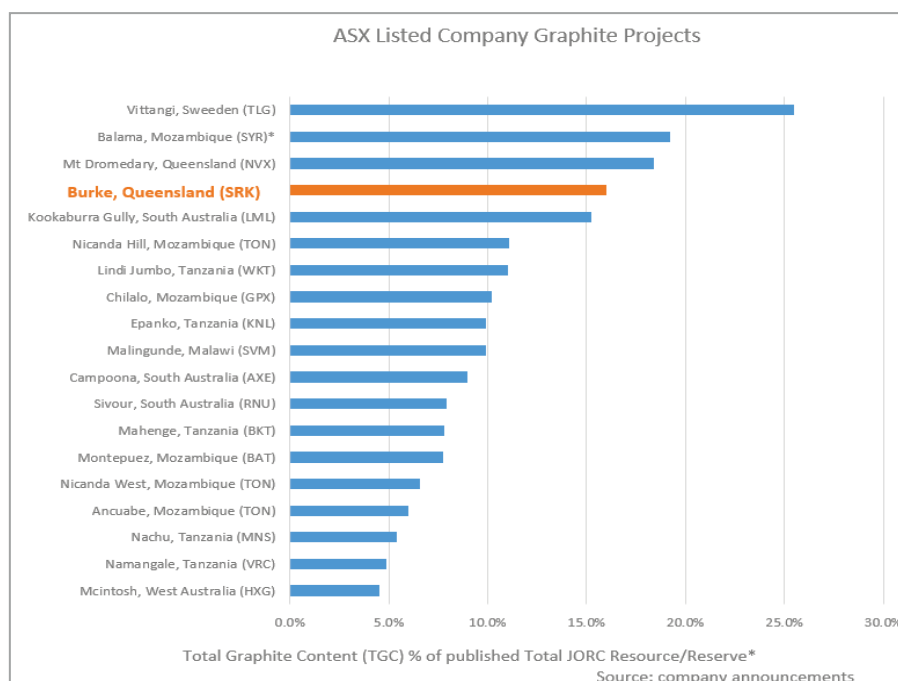


Figure 5 - Selected TGC% of Published Total JORC Resource/Reserve\* vs. Maiden Burke Mineral Resource Estimates

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

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

## Ground EM Survey Results

A ground Electro Magnetic (EM) survey was completed during the quarter, covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017<sup>11</sup>) and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443).<sup>12</sup>

11 Refer Strike's ASX announcements dated 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project and 21 June 2017: Further High-Grade Intersection Encountered at Burke Graphite Project

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

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

The Corella Prospect (north east corner of EPM 25696 (South)) EM survey was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the "Milo beds" - within the Corella Formation. Graphite grading 5 -10% TGC is widespread throughout the outcropping Milo beds and the EM survey was carried out to identify higher-grade areas of mineralisation and identify future drill targets. The survey highlighted an area of approximately 1000m x 500m (refer Figure 6) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke EPM 2543 tenement were identified.

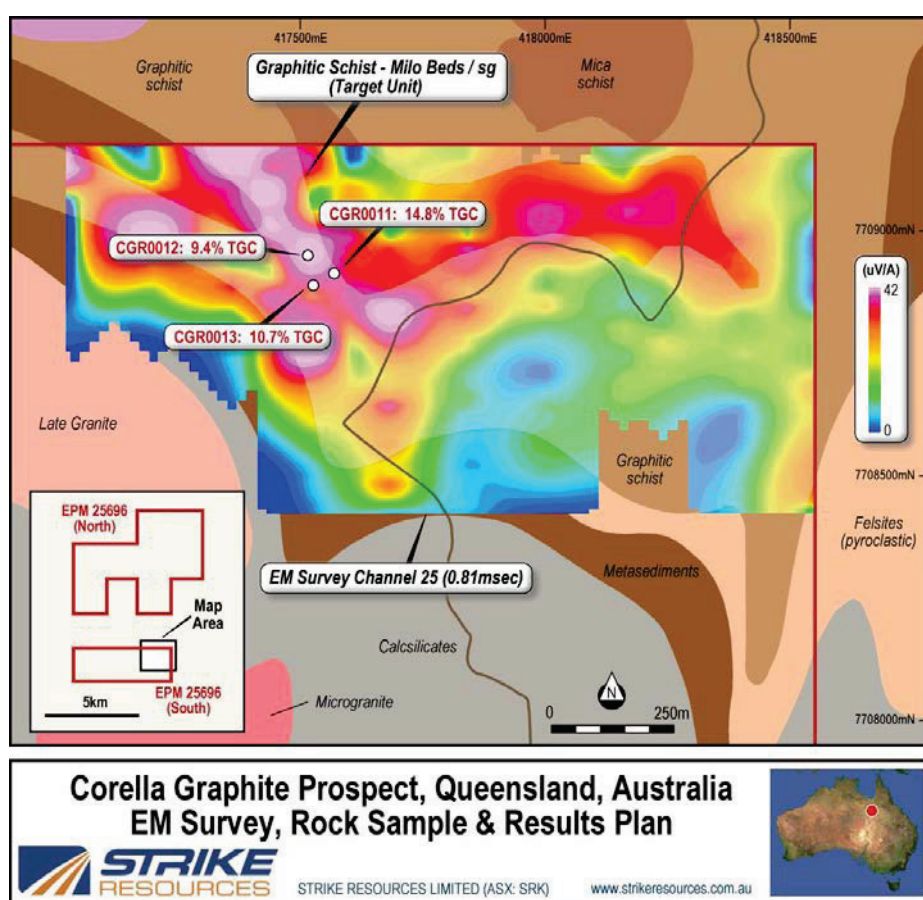


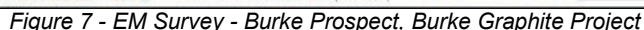
Figure 6 - EM Survey - Corella Prospect, Burke Graphite Project

The conductive features identified at the Corella Prospect appear to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips (from previous sampling by Strike) of up to 14.85% TGC<sup>13</sup>.

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

<sup>13</sup> Refer Strike's ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland







## Lithium and Gold Exploration Tenements, Western Australia

The North Pilbara hosts a number of lithium and tantalum prospects associated with pegmatites that are related to the Sisters Supersuite of monzogranites and other high end intrusives that intruded the Archean greenstone terrain of the East Pilbara approximately 3 billion years ago.

Lithium and tantalum mineralisation occurs either within the pegmatite veins or within alluvials draining the elevated areas containing the pegmatite veins.

In 2016 Strike acquired two exploration licences, EL45/4799 and EL45/4800 in the North-West Pilbara totalling ~31,000 hectares that exist within the extent of the known lithium and tantalum mineral fields in the region, adjacent to licences that have outcropping lithium and tantalum elevated pegmatite occurrences.

Given the widespread cover of thin wind-blown sands and tertiary laterites/duricrusts, the potential of sub-cropping and shallow buried lithium and tantalum rich pegmatites and alluvial deposits is considered a strong possibility.

Strike's North-West Pilbara tenements are also favourably located close to the Mt York Lithium-Gold Project and other gold deposits and to adjoining tenements held by Kairos Minerals Limited and De Grey Mining Limited, in an area of significant activity based upon reported Novo/Artemis discoveries in the Pilbara (refer Figure 8).

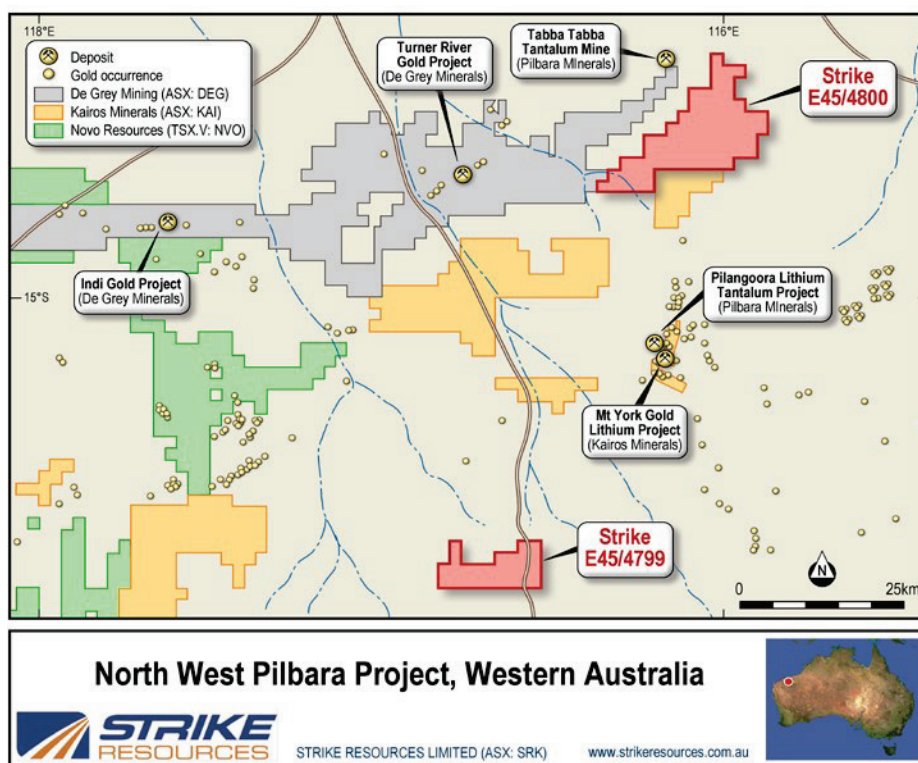


Figure 8 – Strike's North-West Pilbara Tenements (EL 45/4799 and EL 45/4800)

Following reviews of historical information and ground based reconnaissance and sampling programmes, Strike relinquished tenement EL45/4799 during the quarter due to lack of prospectivity for the target minerals (lithium and gold).

Strike continues to hold exploration tenement EL45/4800 and is planning further ground based exploration during the March 2019 quarter.

Strike also holds the Paulsens East tenement, which is located ~7km east of the Paulsens Gold Mine operated by Northern Star Resources Ltd (ASX:NST) (which has mined over 700k ounces at an average grade of 7.63 g/t Au<sup>14</sup>) has been held by Strike for many years for its deposit of high grade hematite. Strike has historically conducted extensive drilling on the tenement for iron ore.

A review by Strike of the historical data within the tenement for other mineralisation has indicated the presence of a historical gold occurrence, hosted within conglomerate rocks on a faulted contact between the Fortescue Group and Ashburton Basin sediments. Strike notes the potential of the Paulsens area, given the geological setting with mineralised conglomerates is similar to the Novo/Artemis gold discoveries, with these discoveries having opened up fresh geological models for gold prospectivity compared with traditional paradigms.

Strike also notes that the Paulsens East tenement directly abuts the southern boundary of Chalice Gold Mines Limited's (ASX:CHN) West Pilbara Project tenements, with Novo Resources' tenements nearby to the south-east (refer Figure 9).

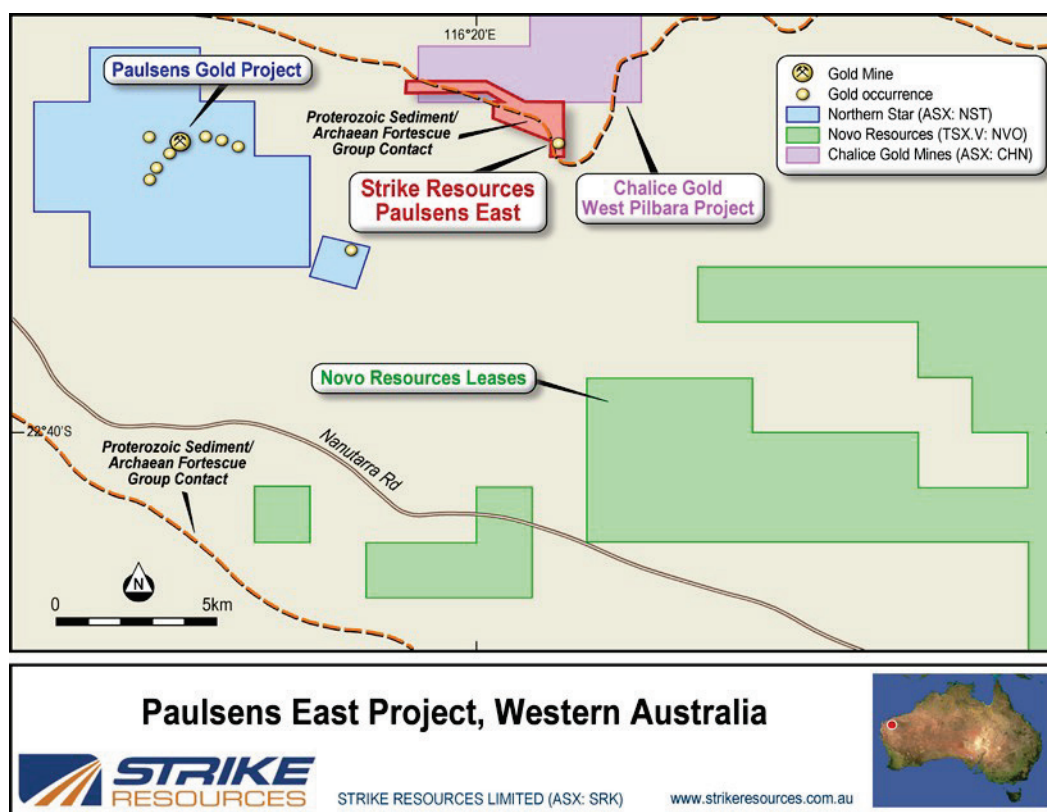


Figure 9 – Strike's Paulsens East Tenement (Retention Licence RL 47/7)

For further details, please refer to Strike's ASX announcement dated 20 November 2017 Gold Potential of Strikes Pilbara Tenements.

## LIST OF MINERAL CONCESSIONS

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

### Solaroz Lithium Brine Project (Argentina)

(Strike – 90%)

Concession Name	Area (Ha)	Province	File No
(1) Mario Ángel	543	Jujuy	1707-S-2011
(2) Payo	990	Jujuy	1514-M-2010
(3) Payo I	1,973	Jujuy	1516-M-2010
(4) Payo 2	2,193	Jujuy	1515-M-2010
(5) Chico I	835	Jujuy	1229-M-2009
(6) Chico V	1,800	Jujuy	1312-M-2009
(7) Chico VI	1,400	Jujuy	1313-M-2009
(8) Silvia Irene	2,465	Jujuy	1706-S-2011

### Apurimac Iron Ore Project (Peru)

(Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No
(1) Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
(2) Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
(3) Ferrum 1	965	Andahuaylas	010298304	No 00228-2005-INACC/J Jan 19, 2005	11053798
(4) Ferrum 4	1,000	Andahuaylas/ Aymaraes	010298604	No 00230-2005-INACC/J Jan 19, 2005	11053810
(5) Ferrum 8	900	Andahuaylas	010299004	No 00232-2005-INACC/J Jan 19, 2005	11053827
(6) Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
(7) Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
(8) Ferrum 37	695	Andahuaylas	010621507	RP 1164-2008-INGEMMET/PCD/PM May 12, 2008	11076534
(9) Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18, 2010	11102187
(10) Sillaccassa 1	700	Andahuaylas	010212508	RP 5088-2008-INGEMMET/PCD/PM Nov 19, 2008	11084877
(11) Sillaccassa 2	400	Andahuaylas	010212608	RP 3183-2008-INGEMMET/PCD/PM Sept 8, 2008	11081449

### Cusco Iron Ore Project (Peru)

(Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No.
(1) Flor de María	907	Chumbivilcas	05006521X01	No 7078-95-RPM Dec 29, 1995	20001742
(2) Delia Esperanza	1,000	Chumbivilcas	05006522X01	No 0686-95-RPM Mar 31, 1995	20001743
(3) El Pacifico II	1,000	Chumbivilcas	05006524X01	No 7886-94/RPM Nov 25, 1994	20001746

### Pilbara Tenements (Western Australia)

(Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km <sup>2</sup> )
EL 45/4799	Relinquished 7/1/2019	4/7/2017	3/7/2022	26 blocks	~83
EL 45/4800	Granted	10/8/2017	9/8/2022	70 blocks	~225

### Paulsens East Tenement (Western Australia)

(Strike – 100%)

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km <sup>2</sup> )
Retention Licence RL 47/7	Granted	4/12/2014	4/12/2019	~381 Ha	~3.81

### Burke Graphite Project (Queensland)

(Strike – ~70%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km <sup>2</sup> )
Burke EPM 25443	Granted	4/9/2014	3/9/2019	5 sub-blocks	~16
Corella EPM 25696	Granted	2/4/2015	1/4/2020	11 sub-blocks	~36

## JORC MINERAL RESOURCES

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at the end of the quarter and currently:

### Apurimac Iron Ore Project (Peru)

(Strike – 100%)

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

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

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

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

### Cusco Iron Ore Project (Peru)

(Strike – 100%)

The Cusco Project has a JORC Code (2004 Edition) compliant Mineral Resource of 104.4 Mt Inferred Mineral Resource at 32.62% Fe.

Category	Concession	Density t/m <sup>3</sup>	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53

*The information in this JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 17 June 2011: Cusco Project – Resource Estimate). It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.*

### Burke Graphite Project (Australia)

(Strike – 70%)

The Burke Graphite Project has a JORC Code (2012 Edition) compliant Mineral Resources Estimate (MRE).

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

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

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



## JORC CODE COMPETENT PERSON'S STATEMENTS

### JORC Code (2012) Competent Person Statement – Solaroz Lithium Brine Project

The information in this document that relates to Exploration Targets in relation to the Solaroz Lithium Brine Project (Argentina) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle

The information in this document that relates to Exploration Targets is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of 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.

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

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

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

The information in the original announcement that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Apurimac Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### JORC Code (2004) Competent Person Statement – Cusco Project Mineral Resources

The information in this document that relates to **Mineral Resources** and other Exploration Results (as applicable) in relation to the Cusco Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Hellsten approves and consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

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

The information in this announcement that relates to **Mineral Resources** is extracted from the following ASX market announcement made by the Strike Resources Limited on:

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

The information in the original announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to in-situ Mineral Resources for the Burke Graphite Project is based on information compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this announcement that relates to **metallurgical test work** is extracted from the following ASX market announcements made by the Strike Resources Limited on:

- 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production
- 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits

The information in the original announcements that relates to metallurgical test work is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been engaged by Strike Resources Limited to provide metallurgical consulting services. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement that relates to **Exploration Results in relation to the ground Electro-Magnetic (EM) survey and other Exploration Results** is extracted from the following ASX market announcements made by the Strike Resources Limited on:

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

The information in the original announcements that relates to Exploration Results in relation to the ground Electro-Magnetic (EM) survey and other Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of 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). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The Strike ASX market announcements referred to above may be viewed and downloaded from the Company's website: [www.strikeresources.com.au](http://www.strikeresources.com.au) or the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code "SRK".

## FORWARD LOOKING STATEMENTS

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

# Appendix 5B

## Mining Exploration Entity and Oil and Gas Exploration Entity Quarterly Report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRIKE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN

94 088 488 724

Quarter Ended (current quarter)

31 March 2019

### Consolidated statement of cash flows

	Current Quarter Mar-2019 \$A' 000	Year to Date 9 months \$A' 000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(88)	(181)
(b) development	-	-
(c) production	-	-
(d) staff costs	(144)	(387)
(e) administration and corporate costs	(68)	(312)
1.3 Dividends received (see note 3)	-	41
1.4 Interest received	10	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	114
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(290)</b>	<b>(684)</b>



<b>Consolidated statement of cash flows</b>	<b>Current Quarter Mar-2019 \$A' 000</b>	<b>Year to Date 9 months \$A' 000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(651)	(1,994)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	1,553	2,428
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>902</b>	<b>434</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,506	2,368
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(290)	(684)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	902	434
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	6	6
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,124</b>	<b>2,124</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A' 000	Previous Quarter \$A' 000
5.1 Bank balances	2,099	481
5.2 Call deposits	25	1,025
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,124</b>	<b>1,506</b>

6. Payments to directors of the entity and their associates	Current Quarter \$A' 000
6.1 Aggregate amount of payments to these parties included in item 1.2	144
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 includes directors' fees, salaries and superannuation for Executive and Non-Executive Directors	

7. Payments to related entities of the entity and their associates	Current Quarter \$A' 000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Nil	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A' 000</b>	<b>Amount drawn at quarter end \$A' 000</b>
8.1 Loan facilities 8.2 Credit standby arrangements 8.3 Other (please specify)	- - -	- - -
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. Nil		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A' 000</b>
9.1 Exploration and evaluation 9.2 Development 9.3 Production 9.4 Staff costs 9.5 Administration and corporate costs 9.6 Other (provide details if material)	700 - - 130 60 -
<b>9.7 Total estimated cash outflows</b>	<b>890</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer Quarterly Activities Report			
10 Interests in mining tenements and petroleum tenements acquired or increased	Refer Quarterly Activities Report			

## Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.



**William Johnson**  
**Managing Director**

**30 April 2019**

See Chapter 19 of ASX Listing Rules for defined terms

### Notes

1. The **Company and its controlled entities** currently holds the following listed share investments:

		<b>31-Mar-19</b>		
<b>ASX code</b>	<b>Company</b>	<b>No Shares</b>	<b>Last Bid Price</b>	<b>Market Value</b>
WPL	Woodside Petroleum Limited	24,000	\$34.58	\$829,920
S32	South32 Limited	90,000	\$3.72	\$334,800
RSG	Resolute Mining	200,000	\$1.20	\$240,000
AUL	Austar Gold Limited	14,444,444	\$0.004	\$57,778
	Other listed shares	various	various	\$48,987
				<b>\$1,511,485</b>

The above investments are regarded as liquid assets to supplement the Company's cash reserves.

2. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
3. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.