2019
ANNUAL REPORT

STRIKE RESOURCES

ABN 94 088 488 724

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Victor Ho	Director
Malcolm Richmond	Non-Executive Director
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COMPANY PROJECTS

Strike Resources Limited (ASX:SRK) (**Strike**) is an ASX listed resource company which owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and the Paulsens East Iron Ore Project in Western Australia. Strike is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.

Paulsens East Iron Ore Project (Pilbara, Western Australia) (Strike – 100%)

The Paulsens East Iron Ore Project is in the Pilbara region of Western Australia, located approximately 140 kilometres west of Tom Price, 8 kilometres from the Paulsens Gold Mine and 233 kilometres by road (of which 210 kilometres is good quality paved roads) from the Port of Onslow and 380 kilometres from the Port of Dampier (refer Figure 1).

With the recent increase in iron ore prices (and with a number of market commentators forecasting these prices to remain strong for the medium term), Strike is currently undertaking an economic study on and advancing approvals for a Direct Shipping Ore (DSO) mining operation at Paulsens East.[1]

Figure 1: Paulsens East Project Location, West Pilbara.

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

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JORC Mineral Resources

On 18 July 2019, Strike reported a significant Maiden JORC Inferred Mineral Resource for Paulsens East of **9.1 Million tonnes at 63.4 % Fe, 5.6% SiO_2 and 3.2% Al_2O_3.**[2] The Inferred Mineral Resource estimate was based upon data derived from two drilling campaigns undertaken by Strike (comprising a total of 66 reverse circulation (**RC**) holes for 3,537 metres drilled) together with an extensive rock chip sampling programme.

On 4 September 2019, Strike reported a significant upgrade from Inferred to JORC Indicated Mineral Resource of **9.6 million tonnes at 61.1 % Fe, 6.0% SiO_2 and 3.6% Al_2O_3.**[3] This upgrade was as a result of a programme of surveying and sampling, which was undertaken to increase the confidence in the iron ore mineralisation and to enable a detailed mine plan and economic model to be developed.

Table 1 summarises the JORC Indicated Mineral Resources within a 58% Fe lower grade cut-off wireframe. These resources extend from the surface to 75 metres below the deepest drill intersection or the 150 metre RL (reduced level), whichever occurs first.

Table 1: Paulsens East Mineral Resource estimate using a 58% Fe lower cut-off wireframe

JORC Category	Fe% Range	Million Tonnes	Fe%	SIO_2%	AL_2O_3%	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

A key feature of the Paulsens East Mineral Resource is an approximately 3 kilometre-long ridge of outcropping hematite conglomerate which extends up to 60 metres above the surrounding terrain (refer Figures 2, 3, 6, 7 and 8). Of the JORC Indicated Mineral Resource referred to above, approximately 3 million tonnes of 61% Fe hematite material (with 5.9% SiO_2 and 3.6% Al_2O_3) is estimated to occur above the base of the ridge (as defined by drill hole collars) with minimal overburden.

In addition, there is potential to extend the resource for a strike distance of approximately 2 kms along an arcuate extension of the ridge to the south east (refer Figures 2 and 6). This extension is based on small hematite conglomerate outcrops along the surface and a plus 60% Fe drill intersection at a depth of 20 metres at the eastern boundary of the tenement.

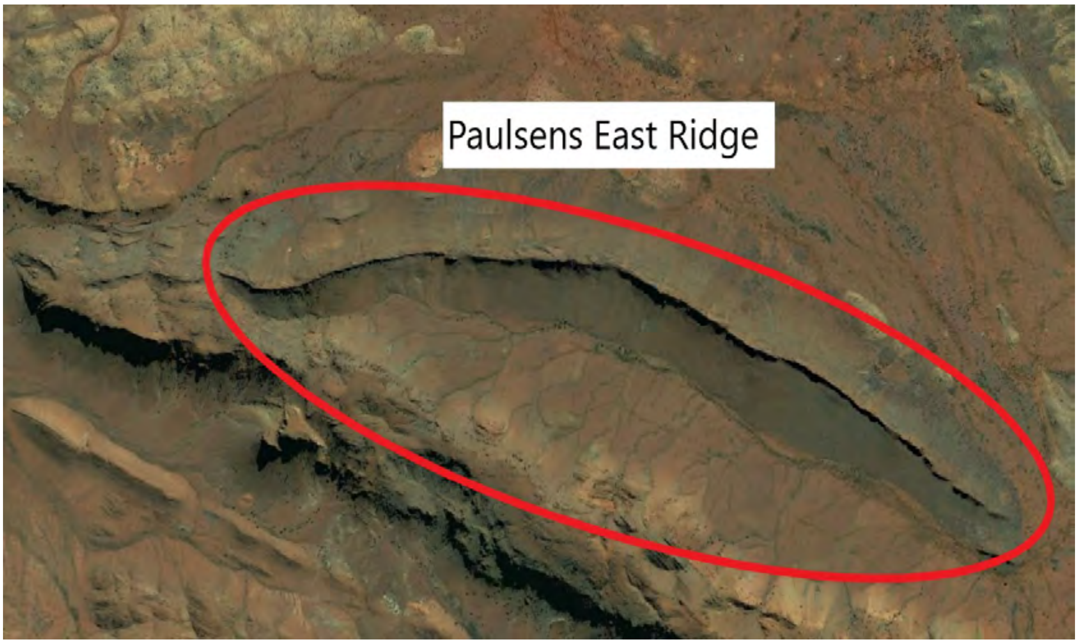

Figure 2: Paulsens East satellite image

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

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

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Figure 3: Paulsens East Hematite Ridge, facing North

Figure 4: Paulsens East Hematite Conglomerate

Figure 5: Paulsens East Rock Chip Sample

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Metallurgical Test Work Results

On 10 October 2019, Strike reported the results of metallurgical test work undertaken on a bulk composite sample of approximately 250 kilogrammes collected from various surface locations across the entire length and width of the Paulsens East deposit.[4] The results were highly encouraging, indicating the potential for a very high lump:fines ratio of 79:21, where the 'lump' material (> 6mm < 30mm in size) has low deleterious elements, low degradation during transport and other positive metallurgical properties.

The indicated very high lump:fines ratio is regarded as highly positive for the project as lump material typically attracts a price premium over equivalent 'fines' material of the same grade. The test work also indicates that the lump material is likely to be approximately 2% Fe higher in grade than that of the fines material, which will also potentially attract a further price premium for the lump material.

Specific Gravity (**SG**) measurements were also undertaken on 20 samples (averaging 65% Fe) taken from the ridge. These returned a consistent SG of 4.8, compared to a SG of 4.2 which was assumed for the calculation of the JORC Indicated Mineral Resource estimate for the deposit, taking into account dilution and low-grade envelope.

Further SG measurements are planned on lower grade material and waste in outcrop and at depth in drill holes for mine planning purposes and to determine potential for increase in resource size and a decrease in mining strip ratios.

Figure 6: Paulsens East Ridge, facing East

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

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Figure 7: Paulsens East Ridge, facing South

Figure 8: Looking east along Paulsens East ridge showing bedding

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Figure 9: Looking west along Paulsens East ridge showing bedding and massive blocky hematite conglomerate beds

Figure 10: Looking west along Paulsens East ridge showing dip slopes of hematite conglomerate beds

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Studies and Approvals Process

Strike is examining the potential for undertaking a Direct Shipping Ore (DSO) mining operation at Paulsens East using contract mining, crushing and transportation by truck to port then ship to customers in China.

Strike has commenced an economic study which focuses on the potential to, in the first instance, target the approximately 3 million tonnes of outcropping 61% Fe hematite material, which in places extends up to 60 metres above surrounding terrain and presents as a 3 kilometre long ridge of outcropping hematite conglomerate.

Strike envisages that such an operation could be undertaken relatively simply using shovels and trucks, with minimal overburden. Excavated material would then be crushed and screened on site prior to transport by road to a suitable port facility for export.

An outline of project activity as at the date of this report is summarised below:

Licensing

Strike has completed a survey of the boundaries to the tenement and lodged a formal application with the Department of Mines, Industry Regulations and Safety (**DMIRS**) to convert the current Retention License R47/07 to a Mining Lease.

Environmental Survey

Strike has engaged a specialist environmental consultant group, with extensive experience in the Pilbara, to review the previous work and undertake an updated flora and fauna survey assessment to be incorporated into the preparation of a Mining Proposal for submission to DMIRS. The initial field work for a reconnaissance flora and vegetation survey and Level 1 fauna and fauna habitat assessment has been completed over the project area.

Native Title

Strike has recommenced work previously undertaken (in 2008) with the local Puutu Kunti Kurrama & Pinikuras (**PKPP**) community. Strike has engaged an experienced native title consultant and has re-established dialogue with local community representatives in order to secure native title approvals. Strike will schedule further meetings with PKPP over the coming months, with the objective of securing an agreement with PKPP in relation to the development of the project.

Metallurgical Test Work

As reported earlier, ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) has recently completed metallurgical test work and Specific Gravity (SG) measurements on samples collected from the Paulsens East deposit. Further SG measurements are planned on lower grade material and waste in outcrop and at depth in drill holes for mine planning purposes and to determine the potential for an increase in resource size and a decrease in mining strip ratios.

Contour Survey

Strike has completed a drone topographic survey of the project area, which was undertaken to develop a high precision contour map and database of aerial photographs of the deposit for mapping and mine planning purposes.

Mine Planning

With the Paulsens East deposit now upgraded to an JORC Indicated Mineral Resource category, Strike is undertaking detailed mine planning work. Figures 11 and 12 show conceptual plans for proposed development of the project:

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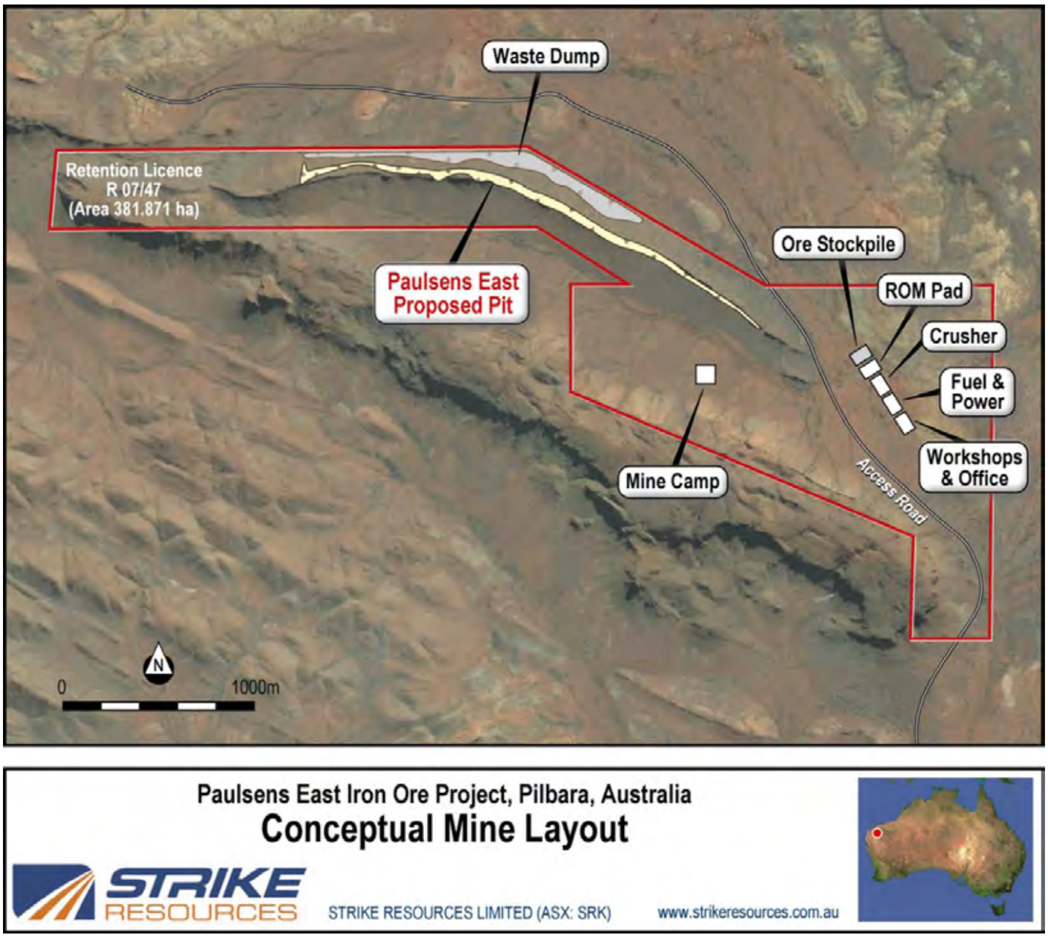

Figure 11: Conceptual Mine Layout of Paulsens East Project

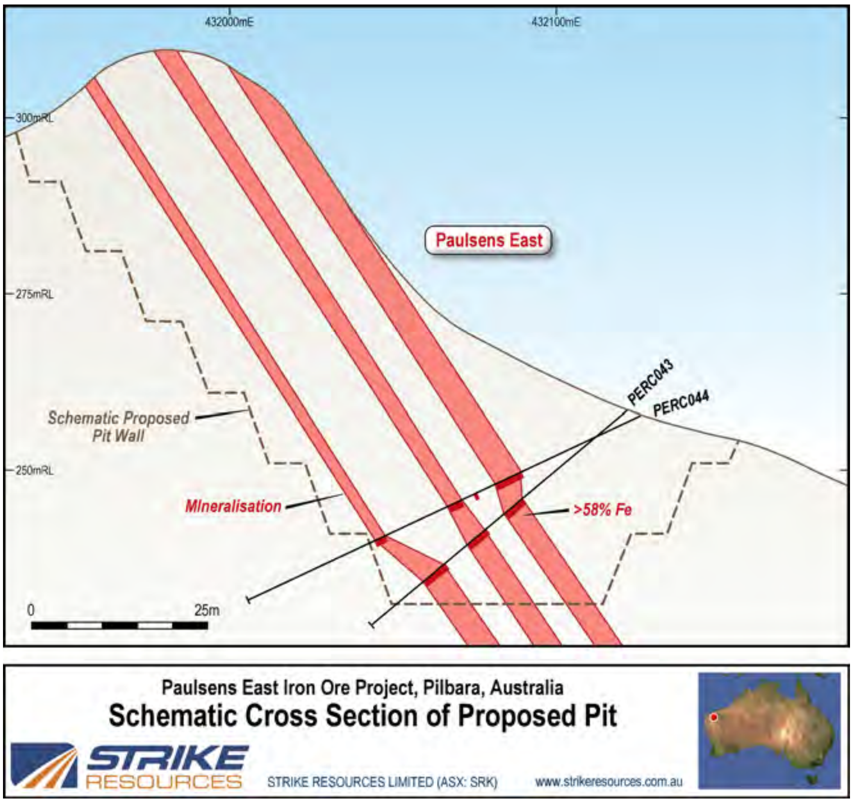

Figure 12: Schematic Cross Section of proposed pit at Paulsens East

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Mining, Crushing and Transport Services

Strike is continuing to advance discussions with various mining, crushing and transport contractors. Strike envisages that mining of the outcropping portion of the deposit will be able to be undertaken relatively simply using shovels and trucks, with the material then to be crushed and screened on site prior to transport by road to a suitable port facility for export. Indicative prices have been received from potential contractors and these will be incorporated into Strike's economic model for the project.

Port Access and Facilities

Strike is continuing to advance discussions with the operators of port facilities between Onslow (233km from the project), Karratha and Port Hedland.

Offtake Arrangements

Strike has had discussions with several parties interested in securing offtake arrangements for Paulsens East. Strike is encouraged by the interest shown in the project by potential iron ore buyers and expects these discussions to lead towards one or more offtake agreements. In this regard, Strike notes the significant iron ore experience on its Board including industry veteran, Malcolm Richmond, whose previous roles include: VP Strategy and Acquisition, Rio Tinto; Managing Director Research and Technology, Rio Tinto; and Managing Director, Iron ore Development at Hamersley Iron.

Subject to successful completion of the above and prevailing market conditions, Strike plans to then proceed to:

- Enter into a port access agreement;
- Finalise contract mining and trucking agreements;
- Enter into product offtake agreement(s);
- Initiate any required project financing; and
- Commence production and first shipment.

On 24 October 2019, Strike announced that it had made two key appointments to strengthen its Management Team to fast-track development of Paulsens East[5]:

- Wayne Richards – former Managing Director of Brockman Resources (ASX:BRM), Executive Chairman/CEO of Tawana Resources (ASX: TAW) and Managing Director of IronClad Mining (ASX:IFE), being companies involved in the development of iron ore projects in Western Australia, West Africa and South Australia respectively; and
- Shanker Madan - previously Managing Director of Strike between 2005 to 2010 and Chairman from 2010 to 2011 with over 35 years' experience in the exploration and development of significant iron ore projects in Australia and overseas (with Hamersley Iron; Rio Tinto; BHP Mineral, Texas Gulf, Hancock and Wright Prospecting).

5 Refer Strike's ASX Announcement dated 24 October 2019: Strike Strengthens Management Team for Paulsens East Iron Ore Project with Key Appointments

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

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation. Over A$50 Million has been expended by Strike since 2005 on acquisition, exploration, study and administration costs relating to its Peru assets.

Figure 13: Strike Apurimac and Cusco Iron Ore Projects, showing route of proposed Andahuaylas Railway

Prior Pre-Feasibility Studies

A Pre-Feasibility Study completed in 2008[6] and updated in 2010[7] on the Apurimac Project indicated clear potential for development of a world class iron ore project, with competitive capital costs and very low operating costs:

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

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

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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

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Andahuaylas Railway Study

In early 2018, the Peru Government signalled its intention to undertake a formal study to build a multi-user railway from the inland city of Andahuaylas in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**).[8]

In October 2018, the Ministry of Transport and Communications in Peru (**MOTC**) awarded a A$13 million tender to an international consortium of engineering companies to study the feasibility of constructing the Andahuaylas Railway.[9]

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.

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

The Andahuaylas Railway route proposed by the MOTC (refer Figure 13) almost exactly mirrors the railway route considered by Strike in its own Pre-Feasibility Studies on Apurimac (referred to above).

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 (refer Figure 14).

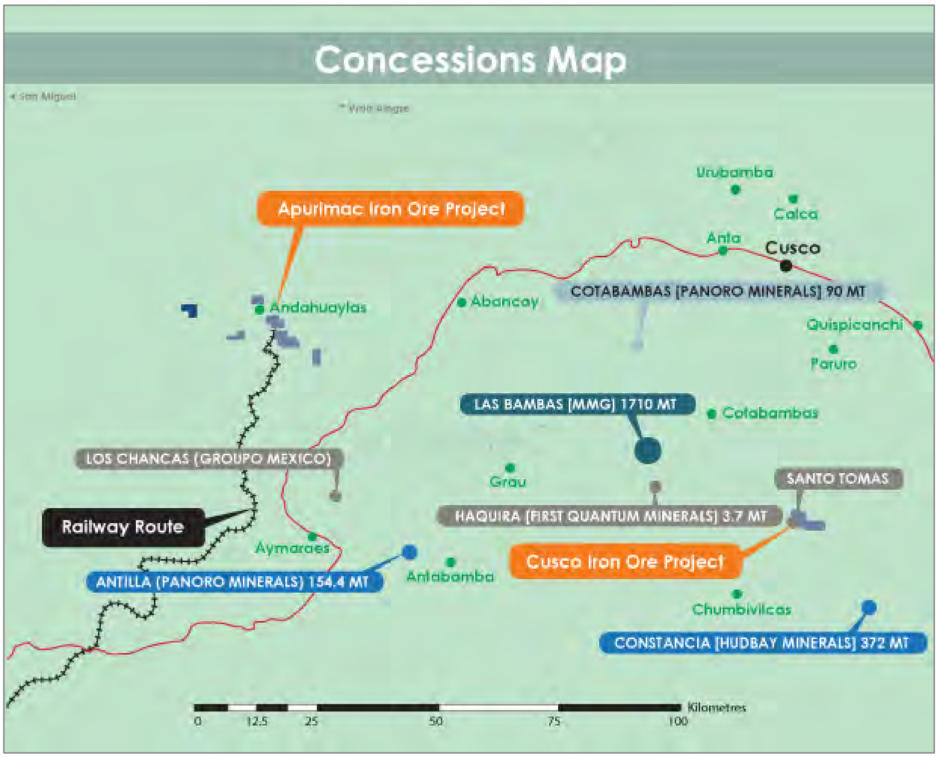

Figure 14: Mineral Projects in the Apurimac and Cusco Regions

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

9 Refer Strike's ASX Announcement dated 23 October 2018: Peru Government Awards $13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port

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A railway would also allow for capital and processing costs at the mine to be substantially reduced, given the considerably simplified process to produce lump and fines products from Strike's high-grade ore compared to producing a slurry concentrate.

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

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

In April 2019, Strike executed a Cooperation and Confidentiality Agreement[10] with Consorcio Ferrocarril Del Sur (**Southern Railway Consortium**), the consortium of international engineering companies undertaking the Peru Government funded Andahuaylas Railway study. Given the scale of economic and social benefits which the Andahuaylas Railway will bring to the Apurimac Region (and Peru as a country), Strike has agreed to share its own railway study with the Southern Railway Consortium, provide input and advice and otherwise cooperate with the consortium in whatever way it can to expedite the completion of its feasibility study.

In August 2019, the Managing Director attended a review meeting in Peru with representatives from the Southern Railway Consortium and other major mining companies operating in or close to the Apurimac region. At this meeting it was confirmed that the consortium had selected the preferred route for the Andahuaylas Railway, which aligns with the route previously identified by Strike in its own studies. This route leads directly to the existing Airport at Andahuaylas, which is located only several hundred metres from Strike's main Opaban I deposit at Apurimac (refer Figure 15).

Figure 15: Outcropping Iron ore at the Opaban 1 ore body (with Andahuaylas Airport in the background)

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

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The selection of the preferred Andahuaylas Railway route is significant for Strike, since if the railway goes ahead as planned using this route it will deliver the ideal transport infrastructure solution to advance the Apurimac Project, with the railway line envisaged to start directly at Strike's Apurimac Project and terminating at a multi-user export port on the coast of Peru.

The Andahuaylas Railway study is scheduled to be completed by the June quarter of 2020.

JORC Mineral Resources

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.84% Fe and 127 Mt Inferred Resource at 56.7% Fe).[11]

The exceptionally high-grade +57% Fe magnetite iron at Apurimac is almost twice as high as the grades of magnetite deposits developed in Australia. The Apurimac ore bodies present as continuous broad zones of mineralisation with predominantly high grade, coarse grained magnetite providing comparatively high mass recoveries (>60%) at coarse grind size (>500 microns).

Favourable topography (refer Figure 16) indicates the potential for a low mining strip ratio (between 1.2 – 1.8) and the coarse-grained nature of the ore provides significant processing energy savings as only coarse grinding is necessary to liberate the magnetite.

Metallurgical testwork on reverse circulation chip samples from the Opaban 1 ore body has returned excellent product grades with low impurities, at coarse crushing with particle sizes of 80% passing 125 and 250 microns:

Table 2: Testwork results showing potential for high grade, low impurity product from Opaban 1 ore

	%
Fe	68.02 to 68.28
P	0.01 to 0.02
SiO_2	1.51 to 1.77
Al_2O_3	0.30 to 0.35

Within the Apurimac JORC Mineral Resource, there has also been identified the potential for low impurity Direct Shipping Ore (DSO) material of approximately 67.9 Mt at 61.5% Fe with low impurities (refer Table 3), which could be mined from surface and shallow near surface mineralisation.

Table 3: Opaban 1 DSO characteristics

	%
Fe	61.5
P	0.03
S	0.1
Al_2O_3	1.7
LOI	1.0

In addition to the current JORC Mineral Resource, there is significant exploration potential given the deposits are open at depth and along strike (with very promising drill results including 154m @ 62% Fe) with extensive undrilled gravity and magnetic anomalies.

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

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Figure 16: Opaban I deposit has favourable topography for low strip-ratio, open cut mining

Small-Scale Production Potential

Given the time framework for the construction of a potential railway from the Apurimac deposit to the coast is yet to be finalised, Strike believes it is appropriate to examine ways in which it can potentially bring a smaller scale mining and trucking operation into production utilising very high grade surface and near surface mineralisation that is present across the Opaban 1 and Opaban 3 deposits.

As referred to above, within the current JORC Mineral Resource of 269 Mt at 57.3% Fe there has been identified the potential for DSO material of approximately 67.9 Mt at 61.5% Fe (with low impurities) to be mined from surface and shallow near surface mineralisation.

In December 2013, Strike commenced a pilot operation, where approximately 8,000 tonnes of ore was mined from surface outcrops from its concessions by local artisanal miners, using an excavator.

Figure 17: Excavation of high-grade iron ore from Opaban 3, 2013

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Figure 18: Stockpile created from artisanal mining at Opaban 3 deposit, 2013

Once mined, the ore was transported to a third-party crushing plant near the coastal town of Pisco in Southern Peru. After crushing, the ore was sold to a local steel plant for use in their blast furnace to produce steel for the domestic market.

The quality of iron ore product delivered to the plant was consistently superior than the minimum characteristics specified by the plant (refer Table 4).

Table 4: Peru steel plant minimum specifications for delivered iron ore

	%
Fe	> 64
P	< 0.08
S	< 0.08
SiO_2	< 4.0

Strike gained valuable experience in the mining and transport of iron ore from its concessions during this pilot programme and believes that, given the current and expected iron ore price in the medium term, the pilot programme can potentially be expanded to produce a small scale but high grade iron ore mining operation in a relatively short period, for export of iron ore to China.

Such an operation would be undertaken in compliance with Peruvian legislation permitting small groups of local ‘artisanal miners’ (that are in the process of being formalised under applicable regulations) to mine up to 350 tonnes per day (or ~125,000 tonnes per annum) from specific portions of a mining concession. This legislation allows for significantly reduced timetables and simplified processes for obtaining environmental and other permitting.

Based upon the pilot production previously undertaken and a review of the DSO material, Strike would target initial production of high-grade DSO with low impurities as follows:

Table 5: Target characteristics of DSO material from Opaban 3

	%
Fe	64.35
P	0.07
S	0.07
SiO_2	2.85
LOI	0.56
Al_2O_3	0.91

Given Strike’s concessions contain multiple locations of outcropping ore, it is possible that multiple areas could be mined simultaneously by different groups of local artisanal miners under Strike’s direction, thus giving Strike the potential to sell several hundred thousand tonnes of DSO per year to Chinese (and potentially other) buyers.

Strike has had discussions with the local community and artisanal miners, together with potential equipment suppliers and transport operators and continues to examine the practicalities and commercial viability of commencing such an operation in the near term.

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Cusco Iron Ore Project (Peru) (Strike – 100%)

The Cusco Project lies approximately 150km to the south - east of the Apurimac Project and forms a potential secondary development target for Strike in Peru with an initial JORC (2004) Inferred Mineral Resource estimate of 104Mt at 32.6% Fe.[12]

Like the Apurimac Project, iron ore mineralisation at Cusco 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.

12 Refer Strike's ASX announcement dated 17 June 2011: Cusco Project – Resource Estimate

COMPANY PROJECTS

Solaroz Lithium Project (Argentina) (Strike – 90%)

The Solaroz Lithium Brine Project (**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) and TSX-listed Lithium Americas Corporation (TSX:LAC), within South America's 'Lithium Triangle' in North-West Argentina.

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

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 totalling 12,000 hectares (refer Figure 19) 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 (refer Figure 20)

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 21).

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.

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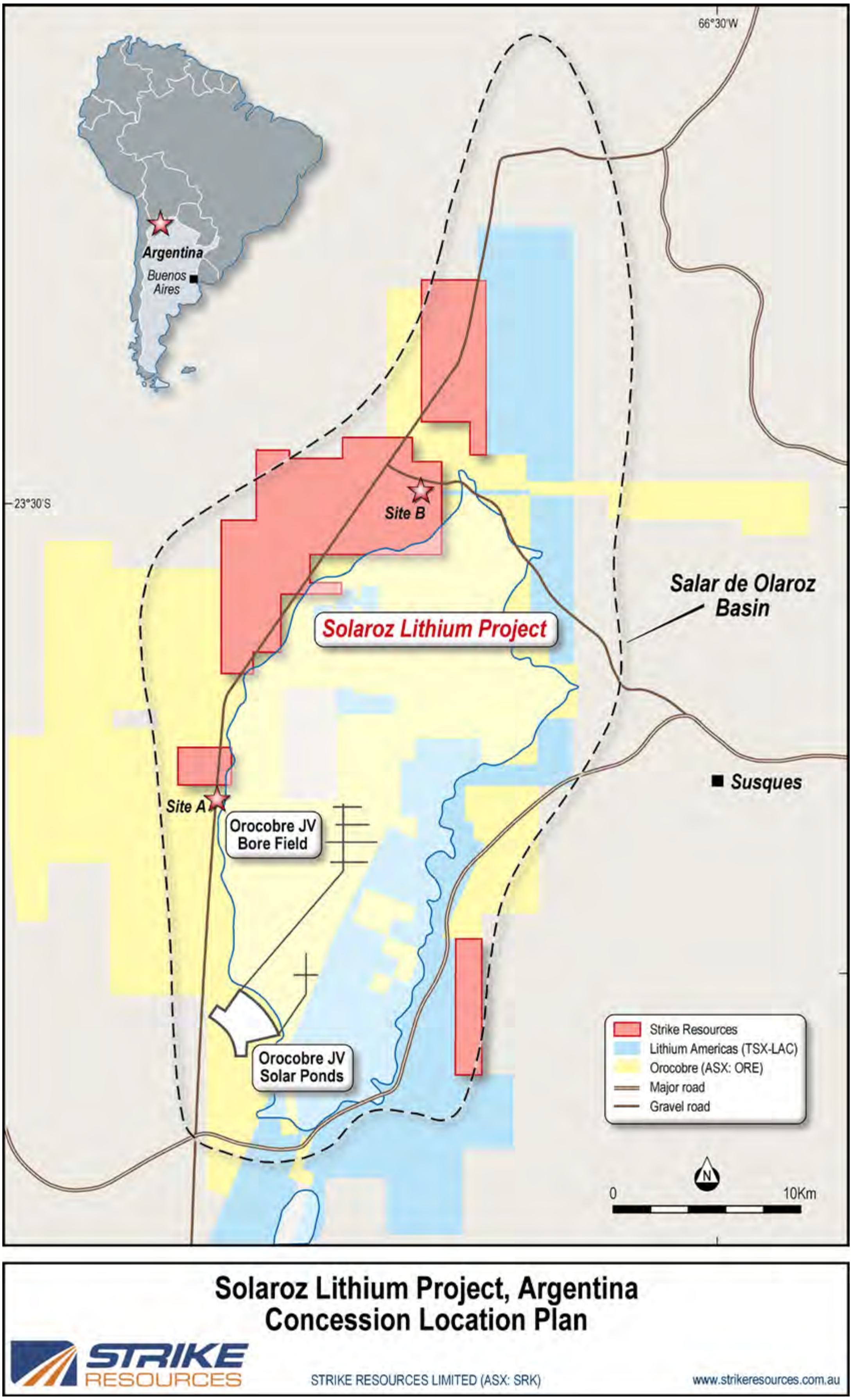

Figure 19: Solaroz Project – Location of Concessions

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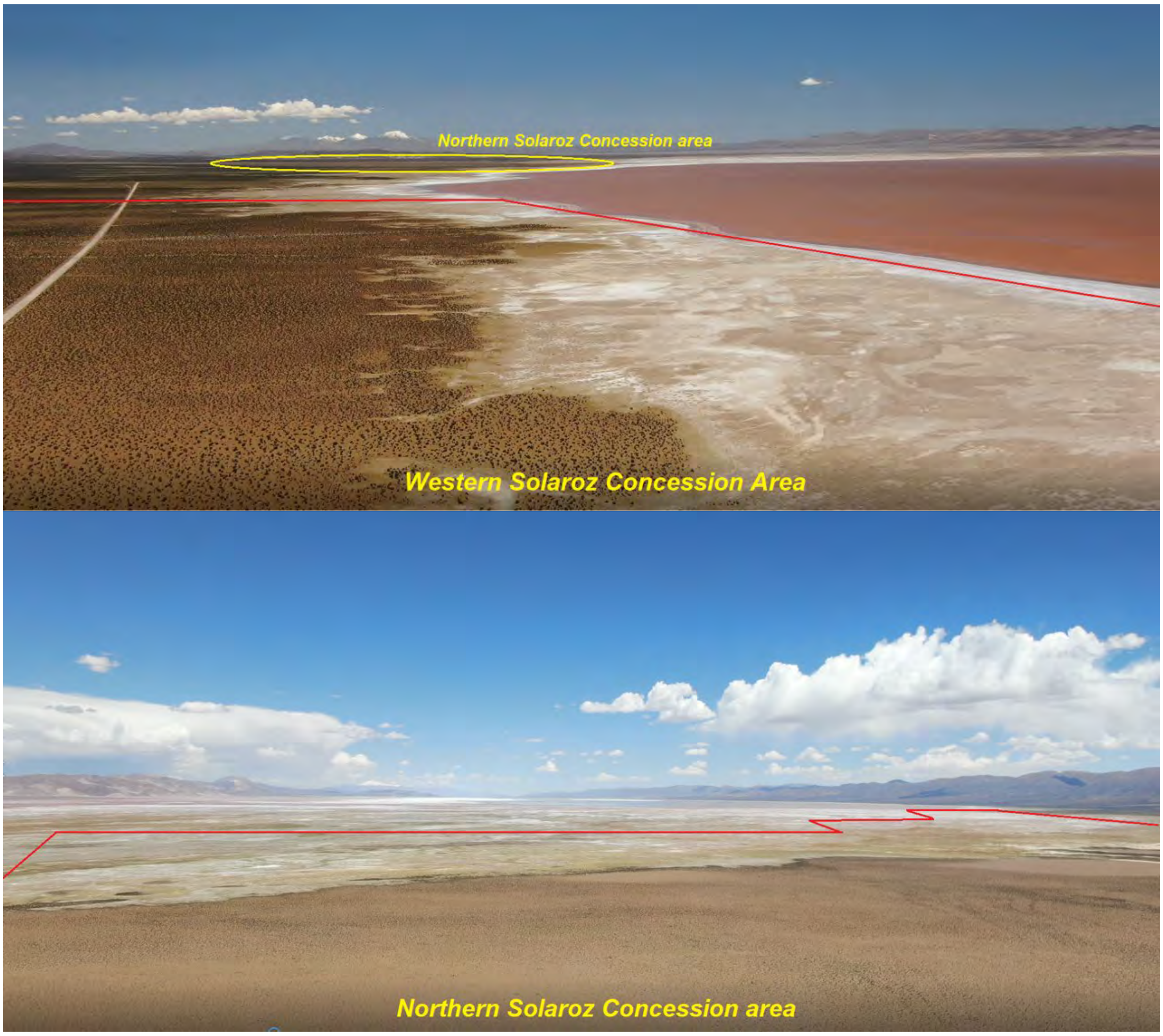

Figure 20: Photographs of Solaroz concession area taken from 'Site A' (top) facing North and 'Site B' (bottom) facing South (Sites as identified in Figure 19: Solaroz Project – Location of Concessions)

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 21). 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[13] 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.

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

COMPANY PROJECTS

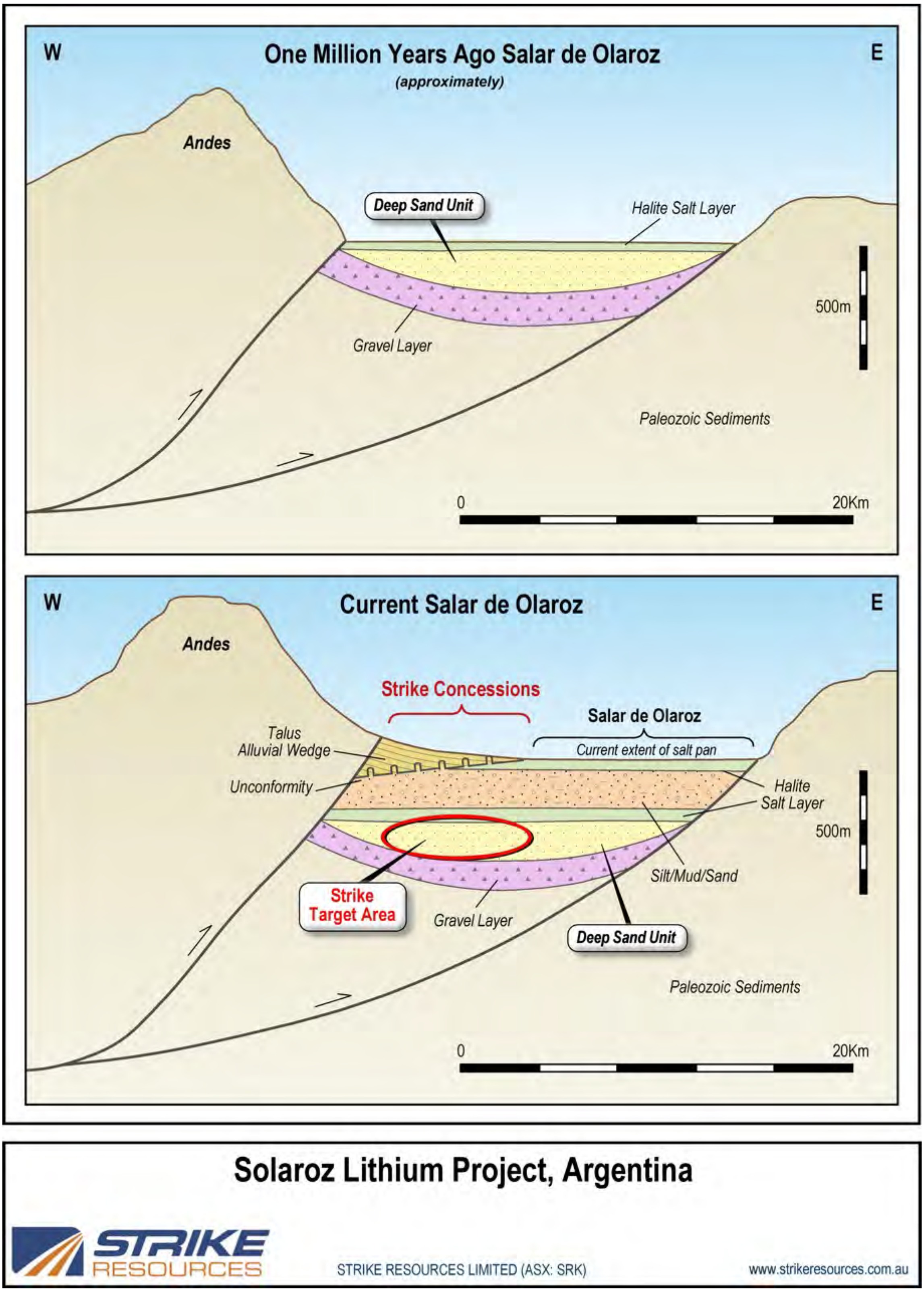

Figure 21: Geological cross sections depicting evolution of Olaroz Salar Basin and Strike's primary target zone for lithium mineralisation

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.

COMPANY PROJECTS

Completion of Environmental Impact Assessment Report

In July 2019, Strike completed the preparation of an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz.[14] The EIA Report includes results from collecting and monitoring baseline environmental data and a detailed proposed fieldwork programme covering 2 years of proposed exploration activity. Following a period of consultation with local community groups, the EIA Report was submitted to the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at Solaroz) for review.

Strike expects the review process to take several months, after which Strike expects to be able to commence its exploration programme. 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.

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.

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

COMPANY PROJECTS

Burke Graphite Project (Queensland, Australia) (Strike – ~70%)

The 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).

Figure 22: Burke Graphite Project Tenement Location in North Central Queensland

A Mineral Resource Estimate (**MRE**) for the Burke Project has defined a maiden Inferred Mineral Resource of[15]:

- **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.

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15 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)

COMPANY PROJECTS

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

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:

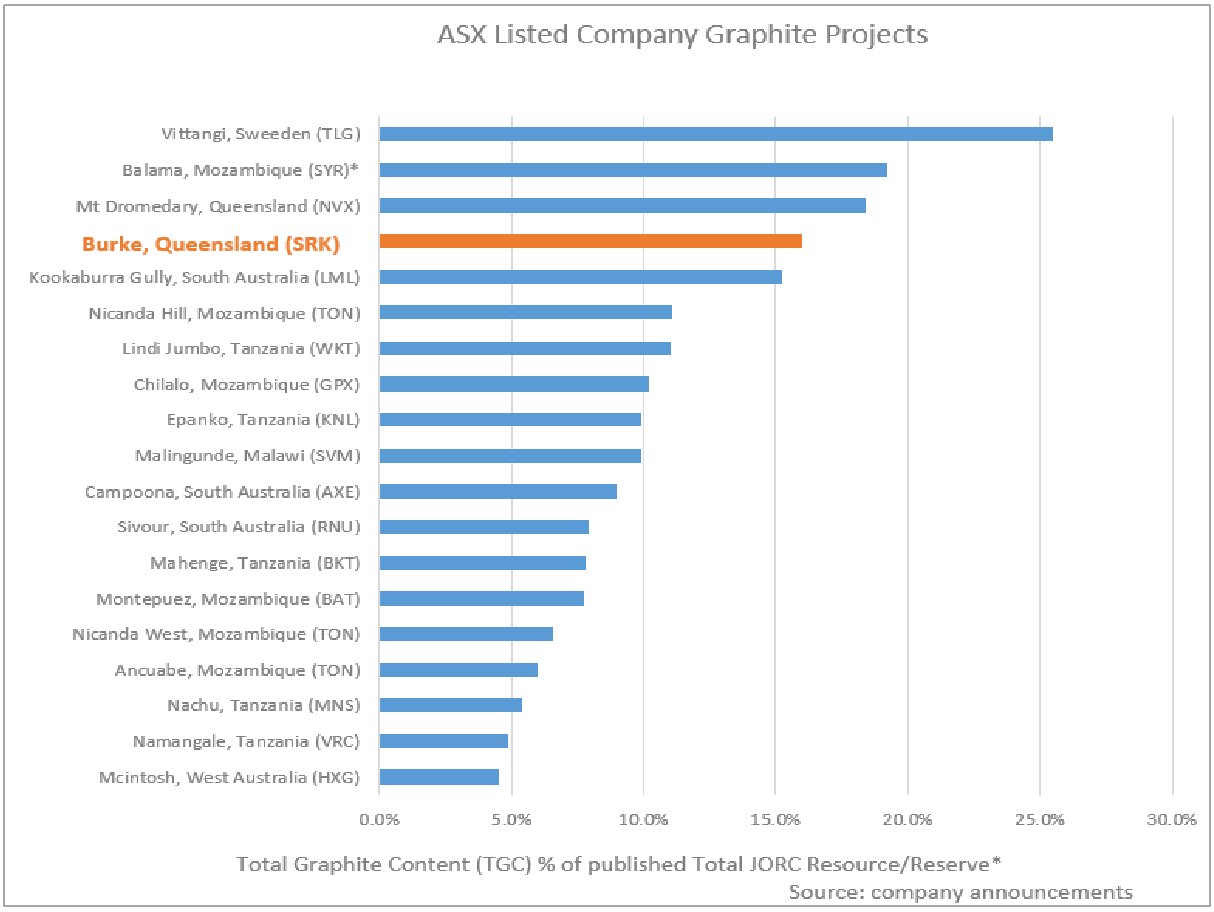

Figure 23: Selected TGC% of Published Total JORC Resource/Reserve vs. Maiden Burke Mineral Resource Estimates*

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

COMPANY PROJECTS

High Grade Intersections from Drilling

A maiden drilling campaign was undertaken by Strike between 24 April 2017 and 14 May 2017 to test the graphite mineralisation in the key Burke tenement, EPM 25443[16]. Total metres drilled were 735.2m (618m in 9 RC holes and 117.2m in one diamond core hole) spread across four cross-sections over a strike length of 500m.

Drilling confirmed the continuity of high grade (>10%) graphite mineralisation over 500m along strike in the NE-SW direction and confirmed the presence of extensive zones of very high-grade graphite mineralisation, commencing at surface and extending to at least 100m in depth (refer Figure 24). Intersections encountered include:

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

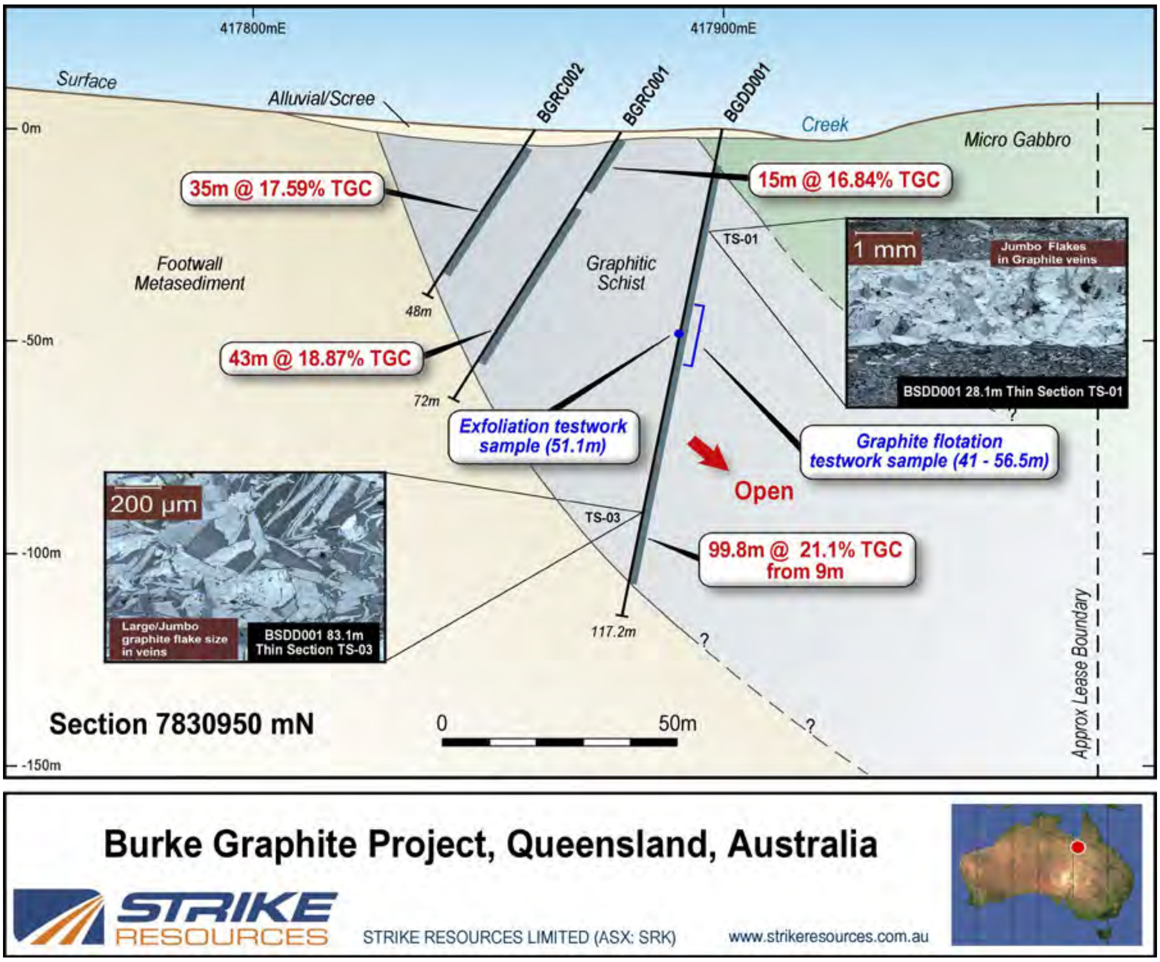

Figure 24: Burke Tenement Drilling Cross Section 7830950mN

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

COMPANY PROJECTS

Ground EM Survey Results

A ground Electro Magnetic (**EM**) survey was completed in June 2018, covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017) [17] and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443) [18].

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 25) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke EPM 2543 tenement were identified.

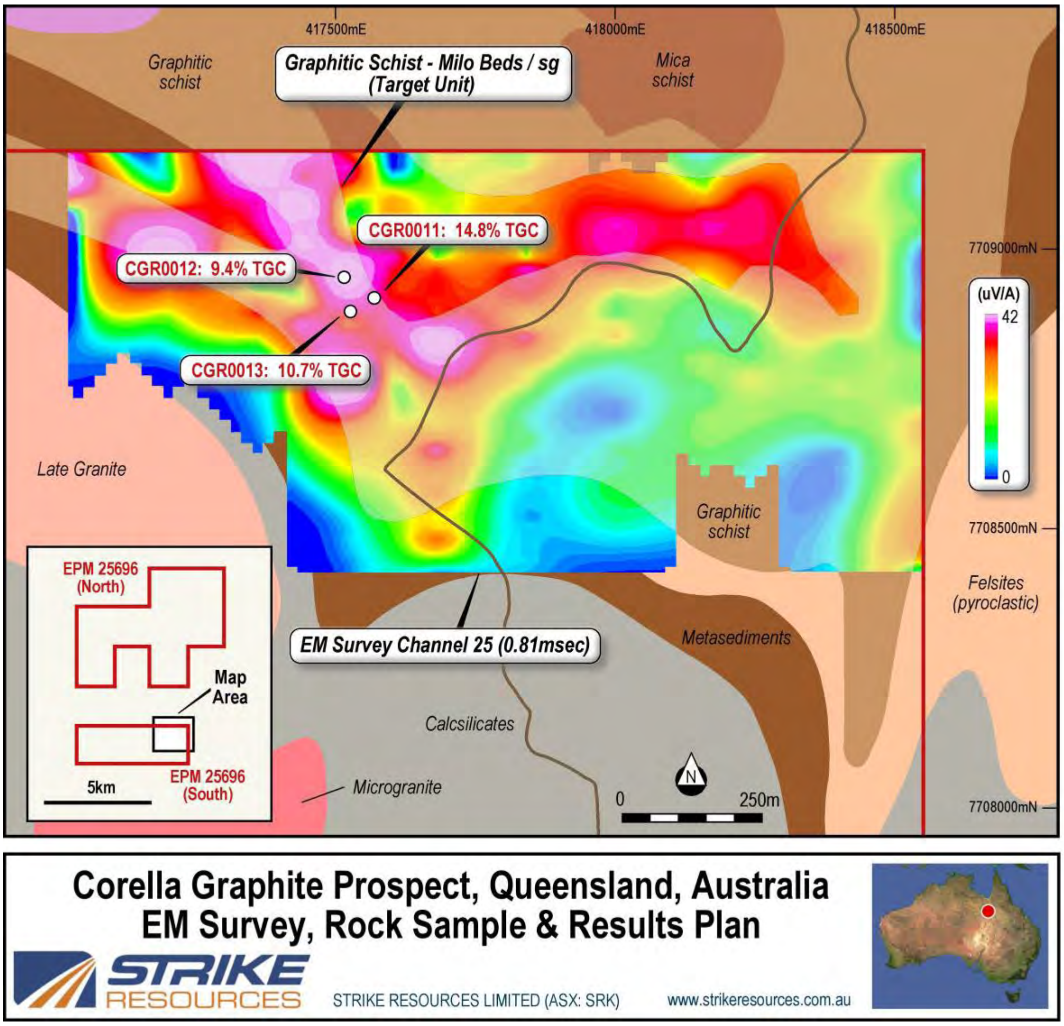

Figure 25: EM Survey - Corella Prospect, Burke Graphite Project

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17 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

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

COMPANY PROJECTS

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[19].

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.

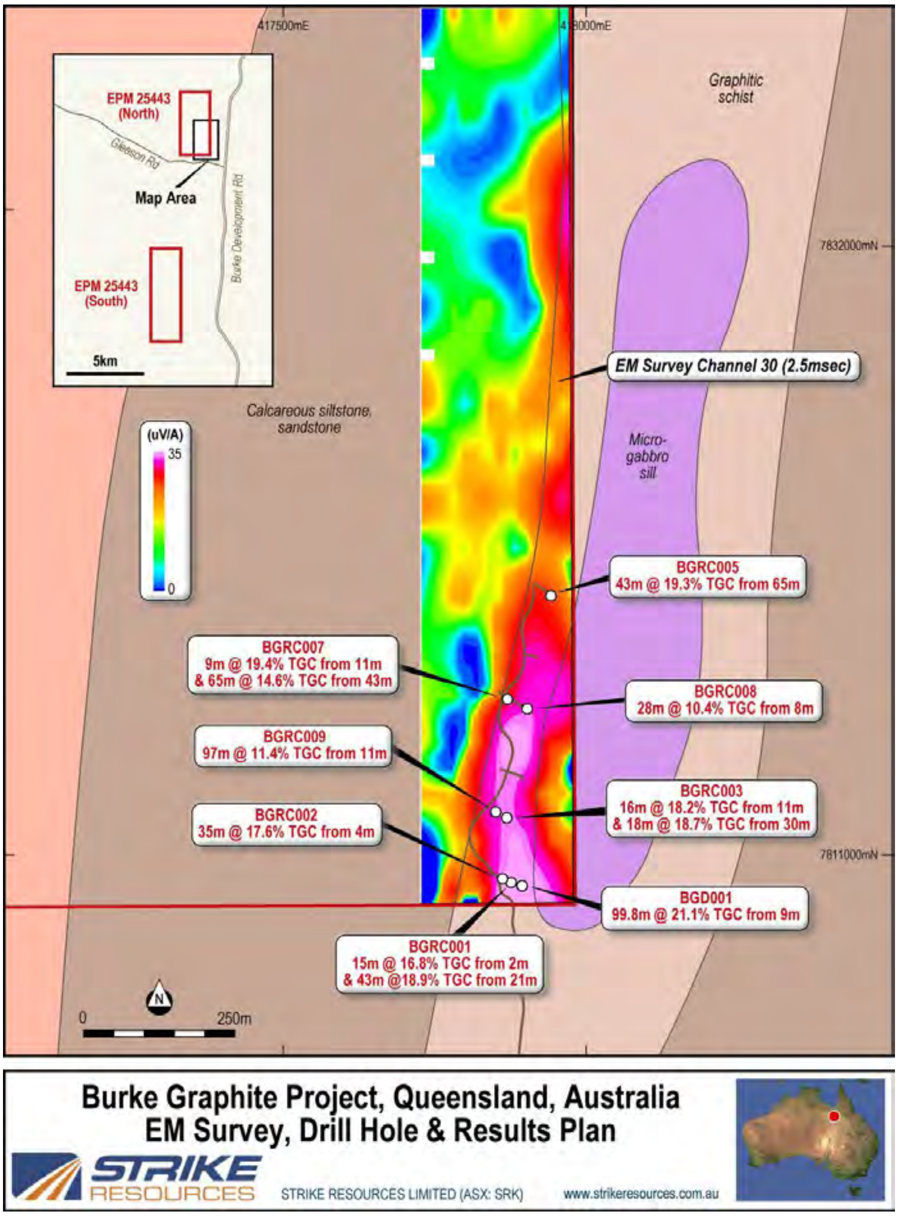

Figure 26: EM Survey - Burke Prospect, Burke Graphite Project

The EM survey over the south-eastern corner of Burke EPM 2543 (North) was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists of the Corella Formation. The survey highlighted the high-grade graphite identified in Strike's maiden drilling programme and identified minor structural offsets, together with new zones of increased conductivity (refer Figure 26). In addition, the survey verified the width and dip of the drill intersected high-grade graphite.

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19 Refer Strike's ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

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 2019 (**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 is an ASX listed resource company which owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and the Paulsens East Iron Ore Project in Western Australia. Strike is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.

Strike's principal activities during the financial year were:

- the investigation of potential value-adding strategies in relation to the development of its Apurimac Iron Ore Project in Peru;
- the evaluation of its Paulsens East Iron Ore Project in Western Australia;
- the acquisition and evaluation of its Solaroz Lithium-Brine Project in Argentina;
- the exploration and evaluation of its Burke Graphite Project in Queensland.

OPERATING RESULTS

Consolidated	June 2019 $	June 2018 $
Total revenue	306,461	652,845
Total expenses	(2,181,554)	(1,334,459)
Loss before tax	(1,875,093)	(681,614)
Income tax expense	-	-
Loss after tax	(1,875,093)	(681,614)

CASH FLOWS

Consolidated	June 2019 $	June 2018 $
Net cash flow from operating activities	(1,728,417)	(1,697,877)
Net cash flow from investing activities	568,164	(1,251,713)
Net change in cash held	(1,160,253)	(2,949,590)
Cash held at year end	1,289,411	2,361,403

In addition to its cash reserves, Strike held an investment portfolio of $1.34 million comprising securities in ASX 200 listed resource stocks (30 June 2018: $1.93 million).

DIRECTORS' REPORT

FINANCIAL POSITION

Consolidated	June 2019 $	June 2018 $
Cash	1,289,411	2,361,403
Financial assets at fair value through profit or loss	1,340,686	1,932,400
Exploration and evaluation expenditure	348,956	581,433
Receivables	166,391	46,221
Other assets	7,502	6,343
Liabilities	(117,992)	(95,097)
Net assets	**3,034,954**	**4,832,703**
Issued capital	148,439,925	148,439,925
Reserves	15,074,101	14,996,757
Accumulated losses	(160,479,072)	(158,603,979)
Total equity	**3,034,954**	**4,832,703**

REVIEW OF OPERATIONS

Apurimac Iron Ore Project (Peru)

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation.[1] 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[2] and updated in 2010[3] on the Apurimac Project.

During 2018:

- The Ministry of Transport and Communications in Peru (**MOTC**) announced that it would 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**)[4]; and
- The MOTC awarded a tender to an international consortium of engineering companies to study the feasibility of constructing the proposed Andahuaylas Railway (**Consortium**).[5]

Strike's Apurimac Project is located only 20km from the city of Andahuaylas. The proposed Andahuaylas Railway (approximately 570km in length) would provide a direct link from Strike's Project to an established mineral export port, significantly improving the Apurimac Project's development prospects.

In April 2019, Strike executed a Cooperation and Confidentiality Agreement[6] with the Consortium to provide input and assistance to the Andahuaylas Railway study. Under this agreement, Strike is sharing its own 2010 railway study[3] (which was an update to its 2008 Pre-Feasibility Study[2]) on the Apurimac Project with the Consortium and providing additional assistance as necessary to assist with the completion of the study.

Strike has been advised that the Consortium's Andahuaylas Railway study is expected to be completed by the June 2020 quarter.

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

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

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

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

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

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

DIRECTORS' REPORT

With spot prices for iron ore strengthening from the lows of approximately US$40 per tonne in December 2015 to approximately US$93/t as at 20 September 2019 (with a 12 month trading range of approximately US$68/t to 121/t)[7], the timing of the MOTC Andahuaylas Railway initiative, being co-incident with strengthening iron ore prices, is considered by Strike to be positive for the Apurimac Project.

Strike is encouraged by the prospect of the Andahuaylas Railway and has re-started project activity in Peru. Given the feasibility and time framework for the construction of a potential railway from Strike's Apurimac deposit to the coast is yet to be finalised, Strike is examining ways in which it can potentially bring a smaller scale mining and trucking operation into production in the near term utilising very high grade surface and near surface mineralisation that is present across the Opaban 1 and Opaban 3 deposits at Apurimac.[8]

Paulsens-East Iron Ore Project (Western Australia)

The Paulsens East Iron Ore Project is located approximately 140 kilometres west of Tom Price, 8 kilometres from the Paulsens Gold Mine and only 233 kilometres by road (of which 210 kilometres is good quality paved road) from the Port of Onslow. Paulsens East consists of hematite iron ore mineralisation occurring as a ridge rising to approximately 60 metres above the valley floor and extending for approximately 3,000 metres West to East.

With the increase in iron ore prices, Strike has recommenced previous work conducted between 2006 - 2008 to examine the potential for undertaking a Direct Shipping Ore (**DSO**) mining operation using contract mining, crushing and transportation by truck to port then ship to China.[8]

On 18 July 2019, Strike reported a significant Maiden JORC Inferred Mineral Resource for Paulsens East.[9]

On 4 September 2019, Strike reported a significant upgrade of the Paulsens East resource from an Inferred to an Indicated JORC Mineral Resource category.[10]

Strike is conducting the following activities to advance Paulsens East[11]:

- Undertake detailed metallurgical test work for the deposit including lump to fines ratio, crushing indices, tumble index etc.
- Undertake an economic viability study based upon a contract mining, crushing and transportation operation.
- Restart and conclude Environmental Survey and Native Title Agreements (which were previously commenced but not completed) and other statutory approvals to mine.
- Conversion of the current Retention Licence to a Mining Lease.
- Undertake a mine planning study.
- Ongoing discussions with potential transport and mining contractors and a number of port facilities.
- Ongoing discussions with potential offtake partners for the sale of an expected high grade premium product.

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7 Source: https://www.marketindex.com.au/iron-ore (Industry standard NYMEX traded 62% Fe, CFR China)

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

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

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

11 Refer also Strike's ASX Announcement dated 1 August 2019: Strong Progress at the Paulsens East Iron Ore Project

DIRECTORS' REPORT

Solaroz Lithium Project (Argentina)

In March 2019, Strike acquired a 90% interest in 12,000 hectares of highly prospective lithium concessions in North-West Argentina.[12] The Solaroz Lithium Brine Project (**Solaroz**) is located within the Salar de Olaroz Basin and is directly adjacent to or surrounded by concessions held by ASX-listed Orocobre Limited (ASX:ORE) and TSX-listed Lithium Americas Corporation (TSX:LAC).

The Orocobre-Toyota Tsusho JV Lithium Facility is producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the salar. Strike believes that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under Strike's Solaroz concessions.

Strike is targeting a fast track exploration programme to test its geological model for Solaroz.[13] Strike has completed an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz.[14] Once the EIA is approved, Strike will commence a drilling programme to delineate the extent of potential lithium brine, its grade and related hydrological matters to identify the potential for commercial development of Solaroz.

The terms of acquisition are also summarised in Note 21(f) (Contingencies - Deferred Payments Relating to Acquisition of Solaroz Lithium Project (Argentina)) of the financial statements.

Burke Graphite Project (Queensland)

Strike's Burke Graphite Project[15] (in which Strike holds a ~70% interest[16]) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

In November 2017, Strike defined a maiden Inferred Mineral Resource estimate for the Burke Project with the grades placing the Burke deposit as one of the highest-grade deposits of graphite in the world held by an Australian listed company.[17]

In June 2018, Strike announced the completion of a ground Electro Magnetic (**EM**) survey covering the south-eastern corner of Burke tenement EPM 25443 (North) (drilled by Strike in 2017[18]) and the Corella tenement EPM 25696 (South) (located ~20 km south of EPM 25443), which identified the Corella Prospect as a significant target area for additional high grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke Prospect.[19]

Strike is considering undertaking further metallurgical test work to examine the potential suitability of Burke graphite for use in electric vehicle (EV) batteries.

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

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

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

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

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

17 Refer 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).

18 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

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

DIRECTORS' REPORT

Lithium and Gold Exploration Tenements (Western Australia)

The North Pilbara hosts a number of lithium and tantalum prospects with mineralisation occurring either within pegmatite veins or within alluvials draining the elevated areas containing pegmatite veins.

In 2016[20], Strike applied for Exploration Licences EL 45/4799 and E45/4800 totalling ~31,000 hectares in the North Pilbara of Western Australia - these tenements existed 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.

Following reviews of historical information and ground based reconnaissance and sampling programmes, Strike relinquished tenement EL45/4799 in January 2019 due to lack of prospectivity for the target minerals (lithium and gold).

DIVIDENDS

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

CAPITAL RAISING

On 18 July 2019, the Company raised $0.981 million through a placement of 21,800,000 shares at 4.5 cents per share to professional and sophisticated investors, being the maximum available under the Company's 15% placement capacity under the ASX Listing Rules.

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

This issue was ratified and approved by shareholders at a general meeting[21] held on 6 September 2019[22], thus refreshing the Company's 15% placement capacity under the ASX Listing Rules.

SECURITIES ON ISSUE

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no 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:

- investigate potential value-adding strategies in relation to the development of its Apurimac Iron Ore Project in Peru;
- evaluate the development of its Paulsens East Iron Ore Project in Western Australia;
- advance its other resource projects through exploration, evaluation and development; and
- potentially investigate and pursue other prospective projects in the resources sector.

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20 Refer Strike's ASX Announcement dated 18 August 2016: New Lithium Projects in Chile and Western Australia

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

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

DIRECTORS' REPORT

The likely outcomes of these activities depend on a range of technical and economic factors and also industry, geographic and other strategy specific issues. 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 tenement/concession licences issued by the relevant mining and environmental protection authorities of the various countries in which Strike 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.

BOARD OF DIRECTORS

Farooq Khan	**Chairman**
Appointed	18 December 2015; Director since 1 October 2015
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Special responsibilities	Member of the Audit Committee Member of the Remuneration and Nomination Committee
Relevant Interests in shares and options	530,010 shares (directly)
Other current directorships in listed entities	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)
Former directorships in other listed entities in past 3 years	Nil

DIRECTORS' REPORT

William Johnson	**Managing Director**
Appointed	25 March 2013; Director since 14 July 2006
Qualifications	MA (*Oxon*), MBA
Experience	William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.
Special responsibilities	None
Relevant Interests in shares and options	349,273 shares (directly)[23]
Other current directorships in listed entities	Executive Director of: Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009) Non-Executive Director of: Keybridge Capital Limited (ASX:KBC) (since 29 July 2016) Molopo Energy Limited (ASX:MPO) (since 31 May 2018)
Former directorships in other listed entities in past 3 years	Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

Malcolm Richmond	**Non-Executive Director**
Appointed	Director since 25 October 2006
Qualifications	BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (*New South Wales*)
Experience	Mr Richmond has 30 years' experience with the Rio Tinto and CRA Groups in a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hamersley Iron Pty Limited) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy. Mr Richmond has also served as a Member on the Boards of a number of public and governmental bodies and other public listed companies. He is a qualified metallurgist and economist with extensive senior executive and board experience in the resource and technology industries both in Australia and internationally. His special interests include corporate strategy and the development of markets for internationally traded minerals and metals - particularly in Asia. Mr Richmond served as Visiting Professor at the Graduate School of Management and School of Engineering, University of Western Australia until January 2012 and is a Fellow of the Australian Academy of Technological Sciences & Engineering, a Fellow of Australian Institute of Mining and Metallurgy and a Member of Strategic Planning Institute (US).
Special responsibilities	Chairman of the Audit Committee Member of the Remuneration and Nomination Committee
Relevant Interests in shares and options	Nil
Other current directorships in listed entities	Non-Executive Director of: Argonaut Resources NL (ASX:ARE) (since 14 March 2012)
Former directorships in other listed entities in past 3 years	Nil

23 Refer Strike's ASX Announcement dated 20 May 2019: Change of Director's Interest Notice

DIRECTORS' REPORT

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

Victor Ho	**Director and Company Secretary**
Appointed	Director since 24 January 2014; Company Secretary since 30 September 2015
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 19+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
Special responsibilities	Secretary of Audit Committee and Remuneration and Nomination Committee
Relevant Interests in shares and options	Nil
Other positions held in listed entities	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) Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)
Former position in other listed entities in past 3 years	None

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:

	Board Meetings		Audit Committee		Remuneration Committee	
Name of Director	**Attended**	**Max. Possible Meetings**	**Attended**	**Max. Possible Meetings**	**Attended**	**Max. Possible Meetings**
Farooq Khan	5	5	2	2	-	-
William Johnson	5	5	-	-	-	-
Malcolm Richmond	5	5	2	2	-	-
Matthew Hammond	3	5	-	2	-	-
Victor Ho[(a)]	5	5	2	2	-	-

Notes:

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

Audit Committee

The Audit Committee was established in March 2010 and currently 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: http://strikeresources.com.au/corporate/corporate-governance/.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established in August 2010 and 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: http://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: http://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: http://strikeresources.com.au/corporate/corporate-governance/.

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 are paid a maximum aggregate base remuneration of $550,000[24]

24 As approved by shareholders at the Annual General Meeting held on 25 November 2009; refer SRK's Notice of Annual General Meeting released on ASX on 27 October 2009 and SRK's ASX Announcement dated 25 November 2009: Results of Annual General Meeting

REMUNERATION REPORT

per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.
The Board has determined the following fixed cash remuneration for current Key Management Personnel as follows:

(a) Mr Farooq Khan (Chairman) - a base fee of $80,000 per annum plus employer superannuation contributions;

(b) Mr William Johnson (Managing Director) - a base fee of $208,000 per annum plus employer superannuation contributions;

(c) Mr Victor Ho (Director and Company Secretary) - a base fee of $95,000 (comprising $45,000 Director's fees and $50,000 Company Secretarial fees) 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: The Managing Director has the opportunity to earn an annual short-term incentive (**STI**) cash amount if predefined key performance indicators (**KPI's**) are achieved. The STI/KPI's are reviewed annually (where applicable). There were no STI KPI's set for the Managing Director in respect of the past 2018/19 financial year or the 2019/20 financial year.

Long-Term Benefits: Other than early termination benefits disclosed in 'Employment Agreements' below, Key Management Personnel have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (other than Non-Executive Directors).

Equity-Based Benefits: The Company has not provided equity based benefits (e.g. grant of shares or options) to Key Management Personnel during the financial year. The Company has previously granted unlisted options to Key Management Personnel (refer 'Options Held By Key Management Personnel' below). There were no shares issued as a result of the exercise of options previously issued to Key Management Personnel during the financial year.

Employee Share Option Plan: The Company has an Employee Share Option Plan (the **ESOP**) which was last approved by shareholders at the 2008 Annual General Meeting held on 6 November 2008[25]. The ESOP was developed to assist in the recruitment, reward, retention and motivation of employees (and potentially Executive Directors). Under the ESOP, the Board will nominate personnel to participate and will offer options to subscribe for shares in the Company to those personnel. A summary of the terms of ESOP is set out in Annexure B to the Company's Notice of Annual General Meeting and Explanatory Statement dated 8 October 2008[26]. The Company has not granted any options to Key Management Personnel during the financial year.

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.

25 Refer SRK's ASX announcement dated 6 November 2008: Results of Annual General Meeting

26 Refer SRK's ASX announcement dated 8 October 2008: Notice of 2008 AGM and Explanatory Statement and Proxy Form

REMUNERATION REPORT

Performance-Related Benefits and Financial Performance of Company: Save for any applicable STI(s) in place for the Managing Director or any applicable equity-benefits that may be provided to Key Management Personnel, the current 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.

	2019	2018	2017	2016	2015
Profit/(Loss) Before Income Tax	(1,875,093)	(681,614)	(1,147,929)	(628,670)	(517,864)
Basic Earnings/(Loss) per share (cents)	(1.29)	(0.47)	(0.79)	(0.43)	(0.36)
Dividends Paid (total)	-	-	-	-	-
Dividends Paid (per share)	-	-	-	-	-
Capital Returns Paid (total)	-	-	-	-	-
Capital Returns Paid (per share)	-	-	-	-	-
VWAP Share Price on ASX for financial year ($)	0.07	0.07	0.05	0.05	0.05
Closing Bid Share Price on ASX at 30 June ($)	0.05	0.05	0.04	0.04	0.05

(3) 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:

2019		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity-Based	
Key Management Personnel	Performance - related %	Cash salary and fees $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & options $	Total $
Directors:							
William Johnson	-	208,000	-	19,760	-	-	227,760
Farooq Khan	-	80,000	-	7,600	-	-	87,600
Malcolm Richmond	-	45,000	-	4,275	-	-	49,275
Victor Ho	-	45,000	-	4,275	-	-	49,275
Matthew Hammond	-	45,000	-	-	-	-	45,000
Company Secretary:							
Victor Ho	-	50,000	-	4,750	-	-	54,750

2018		Short-term Benefits		Post-Employment Benefits	Other Long-term Benefits	Equity-Based	
Key Management Personnel	Performance - related %	Cash salary and fees $	Annual Leave $	Superannuation $	Long service leave $	Shares & options $	Total $
Directors:							
William Johnson	-	208,000	-	19,760	-	-	227,760
Farooq Khan	-	79,999	-	7,600	-	-	87,599
Malcolm Richmond	-	45,000	-	4,275	-	-	49,275
Victor Ho	-	44,999	-	4,275	-	-	49,274
Matthew Hammond	-	45,000	-	-	-	-	45,000
Company Secretary:							
Victor Ho	-	50,000	-	4,750	-	-	54,750

REMUNERATION REPORT

(4) 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 Salary/Fees per annum	Other Current Terms
William Johnson (Managing Director)	22 April 2013 (date of employment agreement) 11 March 2013 (commencement date) 1 May 2015 (date of effect of current remuneration)	$208,000 plus employer superannuation contributions (currently 9.5% of base salary)	• 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. • One month's notice of termination by the Company or employee. Immediate termination without notice if employee commits any serious act of misconduct. • 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. • Entitlement to cash short-term incentive (**STI**) payments in respect of up to 30% of annual base salary, as set by the Board (having regard to advice from the Remuneration and Nomination Committee) – no STI was defined in respect of the 2018/2019 financial year and as at the date of this report.

(5) 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.

(6) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the 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 where applicable.

(7) Shares held by Key Management Personnel

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

Key Management Personnel	Balance at 30 June 2018	Received as part of remuneration	Net Other Change	Balance at 30 June 2019
Farooq Khan	750,803	-	-	750,803
William Johnson	249,273	-	100,000[27]	349,273
Victor Ho	-	-	-	-
Malcolm Richmond	-	-	-	-
Matthew Hammond	-	-	-	-

Note:

The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares 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)

27 Refer Strike's ASX Announcement dated 20 May 2019: Change of Director's Interest Notice

REMUNERATION REPORT

(8) Voting and Comments on the Remuneration Report at the 2018 AGM

At the Company's most recent (2018) AGM, a resolution to adopt the prior year (2018) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (99.9%) support in favour of adopting the Remuneration Report.[28] No comments were made on the Remuneration Report at the 2018 AGM.

This concludes the audited Remuneration Report.

28 Refer Strike's ASX announcement dated 29 November 2018: Results of 2018 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	14,000	-	14,000

The Board is satisfied that the provision of non-audit services by the Auditors during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth).* The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110 Code of Ethics for Professional Accountants: Professional Independence, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

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 44. This relates to the Audit 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 23), 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
Chairman

William Johnson
Managing Director

26 September 2019

ROTHSAY
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.rothsayresources.com.au

The Directors
Strike Resources Limited
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

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

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2019 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

GR Sw

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 26 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2019

	Note	2019	2018
REVENUE		**$**	**$**
Interest revenue	**2**	35,281	82,423
Other			
Net gain on financial assets at fair value through profit or loss		-	529,960
Dividend revenue		101,112	40,462
Other income		159,151	-
Foreign exchange gain		10,917	13,731
TOTAL REVENUE AND INCOME		**306,461**	**666,576**
EXPENSES	**3**		
Exploration and evaluation expenses		(953,112)	(331,421)
Net loss on financial assets at fair value through profit or loss		(21,362)	-
Personnel expenses		(524,647)	(508,047)
Corporate expenses		(480,390)	(335,782)
Occupancy expenses		(60,546)	(43,618)
Finance expenses		(8,969)	(5,510)
Administration expenses		(132,528)	(123,812)
LOSS BEFORE INCOME TAX		**(1,875,093)**	**(681,614)**
Income tax expense	**5**	-	-
LOSS FOR THE YEAR		**(1,875,093)**	**(681,614)**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		77,344	(187,686)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,797,749)**	**(869,300)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	**6**	(1.29)	(0.47)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	**7**	1,289,411	2,361,403
Financial assets at fair value through profit or loss	**8**	1,340,686	1,932,400
Receivables	**11**	166,391	46,221
Other current assets		4,000	3,436
TOTAL CURRENT ASSETS		**2,800,488**	**4,343,460**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	**12**	348,956	581,433
Property, plant and equipment		3,502	2,907
TOTAL NON-CURRENT ASSETS		**352,458**	**584,340**
TOTAL ASSETS		**3,152,946**	**4,927,800**
CURRENT LIABILITIES			
Payables	**13**	112,307	89,610
Provisions		5,685	5,487
TOTAL CURRENT LIABILITIES		**117,992**	**95,097**
TOTAL LIABILITIES		**117,992**	**95,097**
NET ASSETS		**3,034,954**	**4,832,703**
EQUITY			
Issued capital	**14**	148,439,925	148,439,925
Reserves	**15**	15,074,101	14,996,757
Accumulated losses		(160,479,072)	(158,603,979)
TOTAL EQUITY		**3,034,954**	**4,832,703**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

	Issued capital	Currency translation reserve	Share-based payments reserve	Accumulated losses	Total
	$	**$**	**$**	**$**	**$**
BALANCE AT 1 JUL 2017	**148,439,925**	**1,951,417**	**13,233,026**	**(157,922,365)**	**5,702,003**
Loss for the year	-	-	-	(681,614)	(681,614)
Other comprehensive income	-	(187,686)	-	-	(187,686)
Total comprehensive loss for the year	**-**	**(187,686)**	**-**	**(681,614)**	**(869,300)**
BALANCE AT 30 JUN 2018	**148,439,925**	**1,763,731**	**13,233,026**	**(158,603,979)**	**4,832,703**
BALANCE AT 1 JUL 2018	**148,439,925**	**1,763,731**	**13,233,026**	**(158,603,979)**	**4,832,703**
Loss for the year	-	-	-	(1,875,093)	(1,875,093)
Other comprehensive income	-	77,344	-	-	77,344
			-	-	-
Total comprehensive loss for the year	**-**	**77,344**	**-**	**(1,875,093)**	**(1,797,749)**
BALANCE AT 30 JUN 2019	**148,439,925**	**1,841,075**	**13,233,026**	**(160,479,072)**	**3,034,954**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,166,933)	(1,154,925)
Payments for exploration and evaluation		(561,484)	(542,952)
NET CASH USED IN OPERATING ACTIVITIES	**7(a)**	**(1,728,417)**	**(1,697,877)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		35,281	112,176
Dividends received		101,112	40,462
Payment for share investments		(3,536,739)	(4,237,532)
Proceeds from share investments		3,971,840	2,835,092
Payment for purchases of plant and equipment		(3,330)	(1,911)
NET CASH USED IN INVESTING ACTIVITIES		**568,164**	**(1,251,713)**
NET DECREASE IN CASH HELD		**(1,160,253)**	**(2,949,590)**
Cash and cash equivalents at beginning of financial year		2,361,403	5,308,855
Effect of exchange rate changes on cash held		88,261	2,138
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**7**	**1,289,411**	**2,361,403**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

1. ABOUT THIS FINANCIAL REPORT

1.1 Background

This financial report covers the consolidated financial statement of the consolidated entity consisting of Strike Resources Limited (the **Company**), 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 Income tax expense
6 Loss per share

(b) **Financial Risk Managemen**t: 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 not materially affect performance or give rise to material financial risk:

Notes
11 Receivables
12 Exploration and evaluation expenditure
13 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
14 Issued capital
15 Reserve
16 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
17 Parent entity information
18 Investment in controlled entities
19 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
20 Auditors' remuneration
21 Commitments
22 Contingencies
23 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, Australia 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 2019

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 2019 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

1.6 Summary of Accounting Standards Issued But Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	Annual reporting periods beginning on or after 1 January 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:	2019 $	2018 $
Revenue		
Interest revenue	35,281	82,423
	35,281	82,423
Other		
Net gain on financial assets at fair value through profit or loss	-	529,960
Dividend revenue	101,112	40,462
Other income	159,151	-
Foreign exchange gain	10,917	13,731
	306,461	**666,576**

Accounting policy

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. All revenue is stated net of the amount of Goods and Services Tax (GST) except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 a accruals basis.

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:	2019 $	2018 $
Net loss on financial assets at fair value through profit or loss	21,362	-
Exploration and evaluation expenses		
Impairment loss	686,683	319,363
Other exploration and evaluation expenses	266,429	12,058
Personnel expenses		
Salaries, fees and employee benefits	524,647	508,047
Occupancy expenses	60,546	43,618
Finance expenses	8,969	5,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

3. EXPENSES (continued)	2019 $	2018 $
Corporate expenses		
Professional fees	262,436	138,675
ASX fees	27,053	23,215
Accounting, taxation and related administration	160,126	139,108
Audit	14,000	14,000
Share registry	6,207	6,331
Other corporate expenses	10,568	14,453
Administration expenses		
Insurance	16,897	16,661
Travel, accommodation and incidentals	49,922	44,547
Depreciation	2,075	827
Other administration expenses	63,634	61,777
	2,181,554	**1,348,190**

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.

4. SEGMENT INFORMATION

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 operates only in Australia, Peru and Argentina.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

4. SEGMENT INFORMATION (continued)

	Argentina	Peru	Australia	Total
2019	**$**	**$**	**$**	**$**
Revenue	-	-	35,281	35,281
Other	-	14,174	257,006	271,180
Total segment revenues	-	**14,174**	**292,287**	**306,461**
Net loss on financial assets at fair value through profit or loss	-	-	21,362	21,362
Exploration and evaluation expenses	-	257,969	695,143	953,112
Personnel expenses	-	-	524,647	524,647
Corporate expenses	-	240,780	239,610	480,390
Finance expenses	-	7,016	1,953	8,969
Depreciation expense	-	-	2,075	2,075
Other expenses	-	35,105	155,894	190,999
Total segment loss	-	**(526,696)**	**(1,348,397)**	**(1,875,093)**
Adjusted EBITDA	-	**(526,696)**	**(1,346,313)**	**(1,873,009)**
Total segment assets	**340,389**	**73,788**	**2,738,769**	**3,152,946**
Total segment liabilities	**-**	**84,387**	**33,605**	**117,992**
2018				
Revenue	-	-	82,423	82,423
Other	-	-	570,422	570,422
Total segment revenues	-	**-**	**652,845**	**652,845**
Exploration and evaluation expenses	-	238,050	93,371	331,421
Personnel expenses	-	-	508,047	508,047
Corporate expenses	-	72,915	262,867	335,782
Finance expenses	-	2,918	2,592	5,510
Depreciation expense	-	-	827	827
Other expenses	-	8,247	144,625	152,872
Total segment loss	-	**(322,130)**	**(359,484)**	**(681,614)**
Adjusted EBITDA	-	**(322,130)**	**(358,273)**	**(680,403)**
Total segment assets	**-**	**67,093**	**4,860,707**	**4,927,800**
Total segment liabilities	**-**	**83,385**	**11,712**	**95,097**

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 operates only in Australia, Peru and Argentina.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

5. INCOME TAX EXPENSE

		2019	2018
(a)	**The components of tax expense comprise:**	**$**	**$**
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	**The prima facie tax on operating loss before income tax is reconciled to the income tax as follows:**		
	Prima facie tax payable on operating loss before income tax at 27.5% (2018: 27.5%)	(515,650)	(187,444)
	Adjust tax effect of:		
	Non-deductible expenses	23,363	1,131
	Movement in unrecognised temporary differences	(515,088)	(89,550)
	Current year tax losses not recognised	1,007,375	275,863
	Income tax attributable to entity	-	-
(c)	**Unrecognised deferred tax balances**		
	Unrecognised deferred tax asset - revenue losses	8,278,713	8,103,922
	Unrecognised deferred tax asset - other	4,238,211	4,238,211
		12,516,924	**12,342,133**

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 substantially 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 financial year ended 30 June 2019

5. INCOME TAX EXPENSE (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. LOSS PER SHARE	**2019**	**2018**
	cents	**cents**
Basic and diluted loss per share	(1.29)	(0.47)
The following represents the loss and weighted average number of shares used in the EPS calculations:		
Net loss after income tax	(1,875,093)	(681,614)
	Shares	**Shares**
Weighted average number of ordinary shares	145,334,268	145,334,268

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

7. CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at bank	1,264,411	335,649
Term deposits	25,000	2,025,754
	1,289,411	**2,361,403**

(a) Reconciliation of operating loss after income tax to net cash used in operating activities

	2019	2018
Loss after income tax	**(1,875,093)**	**(681,614)**
Add non-cash items:		
Depreciation	2,075	827
Write off of office equipment	659	-
Impairment loss	-	319,363
Unrealised movement in financial assets	301,802	(250,707)
Adjustment for movement in foreign exchange	(10,917)	(189,825)
Changes in assets and liabilities:		
Receivables	(138,941)	(113,629)
Other current assets	17,066	(1,853)
Financial assets at fair value through profit or loss	(280,441)	(279,253)
Exploration and evaluation expenditure	232,477	(530,894)
Payables	23,151	36,268
Provisions	(255)	(6,560)
	(1,728,417)	**(1,697,877)**

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

	2019	2018
	$	$
Listed securities at fair value	1,340,686	1,932,400

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 Statement of Profit or Loss and Other Comprehensive Income 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 financial year ended 30 June 2019

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	2019 $	2018 $
Cash and cash equivalents	**7**	1,289,411	2,361,403
Receivables	**11**	166,391	46,221
		1,455,802	**2,407,624**
Payables	**13**	(112,307)	(89,610)
Net financial assets		**1,343,495**	**2,318,014**

(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. By its nature as an investment company, the Consolidated Entity will always be subject to market risk as 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 financial year ended 30 June 2019

9. FINANCIAL RISK MANAGEMENT (continued)

(i) Price risk (continued)	**Impact on post-tax profit**		**Impact on equity**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Increase 5%	67,034	96,620	67,034	96,620
Decrease 5%	(67,034)	(96,620)	(67,034)	(96,620)

(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:

	2019	**2018**
	USD	**USD**
Cash and cash equivalents	39,695	36,742
Payables	(34,007)	(58,970)
Net financial assets/(liabilities)	5,688	(22,228)

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**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Increase 10%	569	(2,223)	-	-
Decrease 10%	(569)	2,223	-	-

(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 1.93% (2018: 2.44%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)	**2019**	**2018**
	$	**$**
Cash at bank	1,264,411	335,649
Term deposit	25,000	2,025,754
	1,289,411	**2,361,403**

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**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Increase by 25bps	3,224	5,904	-	-
Decrease by 25bps	(3,224)	(5,904)	-	-

(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:

	2019	**2018**
Cash and cash equivalents	**$**	**$**
AA-	1,232,048	2,311,184
No external credit rating available	56,105	49,465
	1,288,153	**2,360,649**
Receivables (due within 30 days)		
No external credit rating available	**166,391**	**46,221**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

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:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets at fair value through profit or loss:	Level 1 $	Level 2 $	Level 3 $	Total $
Listed securities at fair value				
2019	1,340,686	-	-	**1,340,686**
2018	1,932,400	-	-	**1,932,400**

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	2019 $	2018 $
Cash and cash equivalents	7	1,289,411	2,361,403
Receivables	11	166,391	46,221
		1,455,802	2,407,624
Payables	13	(112,307)	(89,610)
		1,343,495	2,318,014

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

11. RECEIVABLES	2019	2018
	$	$
Receivable from sale of listed securities	135,252	-
Other receivables	31,139	34,248
Interest receivable	-	11,973
	166,391	**46,221**

Risk exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 9.

Accounting policy

AASB 9 (Financial Instruments) introduces a new expected credit loss (ECL) impairment model that requires the Consolidated Entity to adopt an ECL position across the Consolidated Entity's financial assets at 1 July 2018. The Consolidated Entity's receivables balance comprises deposits, GST refunds from the Australian Tax Office and distributions from managed trusts.

At each reporting date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:
(i) the simplified approach (which will be applied to most trade receivables) which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;
(ii) the general approach (which will be applied to most loans and debt securities) whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and
(iii) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each reporting date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current receivables.

12. EXPLORATION AND EVALUATION EXPENDITURE	2019	2018
	$	$
Opening balance	581,433	369,902
Exploration and evaluation costs	454,206	530,894
Impairment loss	(686,683)	(319,363)
Closing balance	**348,956**	**581,433**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

12. EXPLORATION AND EVALUATION EXPENDITURE (continued)

Critical accounting estimates and judgements
The Consolidated Entity has assessed the carrying amount of the exploration and evaluation in accordance with AASB 6 (Exploration for and Evaluation of Mineral Resources). The ultimate recoverability of deferred exploration and evaluation expenditure is dependent on the successful development or sale of the relevant area of interest.

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. PAYABLES	**2019**	**2018**
	$	**$**
Trade payables	89,417	62,043
Other creditors and accruals	22,890	27,114
Withholding tax	-	453
	112,307	**89,610**

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.

14. ISSUED CAPITAL	**2019**	**2018**
	$	**$**
145,334,268 (2018: 145,334,268) fully paid ordinary shares	**148,439,925**	**148,439,925**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

15. RESERVE	**2019**	**2018**
	$	**$**
Share-based payments reserve	13,233,026	13,233,026
Foreign currency translation reserve	1,841,075	1,763,731
	15,074,101	**14,996,757**

(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 employees for nil consideration, the fair values of these options are included in the share-based payments reserve.

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

Accounting policy

Foreign currency translation reserve
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

(iii) all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income.

16. 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 financial year ended 30 June 2019

17. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Strike Resources Limited, as at 30 June 2019.

	2019	2018
Statement of profit or loss and other comprehensive income	**$**	**$**
Loss for the year	(811,151)	(349,906)
Other comprehensive income	-	-
Total comprehensive income for the year	**(811,151)**	**(349,906)**
Statement of financial position		
Current assets		
Cash and cash equivalents	1,233,306	2,311,937
Financial assets at fair value through profit or loss	1,334,422	1,923,400
Other	152,708	32,029
Non current assets	2,675,269	1,917,597
Total assets	**5,395,705**	**6,184,963**
Current liabilities	33,605	11,712
Total liabilities	**33,605**	**11,712**
Net assets	**5,362,100**	**6,173,251**
Issued capital	148,439,924	148,439,924
Options reserve	13,233,025	13,233,025
Accumulated losses	(156,310,849)	(155,499,698)
Equity	**5,362,100**	**6,173,251**

The parent entity does not have any contingent assets or liabilities.

18. INVESTMENT IN CONTROLLED ENTITIES

		Ownership interest	
Investment in controlled entities	**Incorporated**	**2019**	**2018**
Strike Finance Pty Ltd	Australia	100%	100%
Strike Australian Operations Pty Ltd	Australia	100%	100%
Strike Operations 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%
Hananta S.A.	Argentina	90%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

18. INVESTMENT IN CONTROLLED ENTITIES (continued)

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.

19. 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 2019. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2019	2018
Directors	**$**	**$**
Short-term employee benefits	423,000	422,998
Post-employment benefits	35,910	35,910
Other KMP		
Short-term employee benefits	50,000	50,000
Post-employment benefits	4,750	4,750
	513,660	**513,658**

(b) Transactions with other related parties

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

20. AUDITORS' 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:

	2019	2018
Audit and review of financial statements	**$**	**$**
Rothsay Auditing	14,000	14,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

21. COMMITMENTS

(a) Lease Commitments

On 1 February 2019, the Consolidated Entity entered into a non-cancellable operating lease agreement for shared office accommodation. The lease was for a further 12 month term expiring on or about 31 January 2020. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST).

(b) Mineral Tenements/Concessions - Commitments for Expenditure

(i) **Australian Tenements**

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

(ii) **Peruvian Mineral Concessions**

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

22. CONTINGENCIES

(a) Australian Native Title

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

(b) Government Royalties

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

(c) Directors' Deeds

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

22. CONTINGENCIES (continued)

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

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

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

(i) **Resource Milestone Payment:** US$2 million on the delineation of at least 500 Mt of JORC Mineral Resources at an average grade of at least 55% Fe with at least 275 Mt of contained iron having an average grade of at least 52.5% Fe, on the Apurimac Project mineral concessions.

(ii) **Approvals Milestone Payment**: Up to US$3 million on AF receiving all formal government environmental and community approvals for the construction and operation of an iron ore mine and required infrastructure with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

(iii) **Construction Milestone Payment**: Up to US$5 million on formal approval of the AF Board to commence construction of an iron ore project or the commencement of bulk earthworks for an iron ore mine or processing plant, in either case with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

The Consolidated Entity has royalty payment obligations as follows:

(i) 1.5% of the net profits from sales of iron ore mined and iron ore products produced from the Apurimac and Cusco Project mineral concessions.

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

AF may extinguish the royalties (save for royalties on other metals up to a cap of US$0.5 million per annum) by making an Extinguishment Payment as follows - US$30 million, if paid 4 years from 20 December 2012 but before the Construction Milestone occurs or the 15th anniversary of the settlement agreement (whichever is sooner).

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

(e) Legal Disputes Over Peru Mineral Concessions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2019

22. CONTINGENCIES (continued)

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

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

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

Hananta's Payments to the Owner	Cash US$	Cash or Shares US$	Total US$
On execution of the Agreement	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (**EIA**) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1.000.000	2,190,000
Total	**3,840,000**	**2,750,000**	**6,590,000**

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

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

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

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 18 July 2019, the Company raised $0.981 million (gross) through a placement of 21,800,000 shares at 4.5 cents per share to professional and sophisticated investors.

No 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 45 to 69 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 2019 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
Chairman

William Johnson
Managing Director

26 September 2019

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF STRIKE RESOURCES LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strike Resources Ltd ("the Company") and its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 30 June 2019, 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 2019 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* (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.

Key Audit Matters

Cash and cash equivalents

The Group's cash and cash equivalents comprise 434% of total assets by value and are considered to be the key driver of the Group's operations and exploration activities. 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. However due to the materiality in the context of the financial statements as a whole, they are considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence of the Group's portfolio of cash and cash equivalents included but were not limited to:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and
- Agreeing 100% of cash holdings to independent third party confirmations.

We have also assessed the appropriateness of the disclosures included in notes 1 and 7 to the financial report.

Investments

The Group's portfolio of financial assets at fair value comprise 35% of total assets by value and are considered to be the key driver of the Group's operations. We do not consider financial assets at fair value to be at a high risk of significant misstatement or to be subject to a significant level of judgement. However due to their materiality in the context of the financial statements as a whole, they are considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence, completeness and valuation of the Group's portfolio of financial assets at fair value included but were not limited to:

- Documenting and assessing the processes and controls in place to record transactions and to value the assets;
- Agreeing the fair value of the listed investments to externally quoted prices, which was the closing bid price at 30 June 2019;
- Agreeing holdings in financial assets at fair value to independent third party documentation; and
- Performing a recalculation of the total value of investments.

We have also assessed the appropriateness of the disclosures included in Notes 1 and 8 to the financial report.

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 2019, 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.

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 misstatementt, 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

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.

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 2019.

In our opinion the remuneration report of Strike Resources Ltd for the year ended 30 June 2019 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

Rothsay Auditing

GR Swan

Graham Swan FCA
Partner

Dated 26 September 2019

LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the financial year (30 June 2019) and currently:

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

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

Cusco Iron Ore Project (Peru) (Strike – 100%)

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

Solaroz Lithium Brine Project (Argentina) (Strike – 90%)

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

Paulsens East Tenement (Western Australia) (Strike – 100%)

Tenement No.	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
Retention Licence RL 47/7	Granted	4/12/2014	Pending conversion to Mining Lease ML 1583 (applied on 28 August 2019)	~381 Ha	~3.81

Burke Graphite Project (Queensland) (Strike – ~70%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
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

Pilbara Tenement (Western Australia) (Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km²)
EL 45/4800	Granted	10/8/2017	9/8/2022	70 blocks	~225

ANNUAL MINERAL RESOURCES STATEMENT

The following JORC Code compliant (2004 and 2012) Mineral Resources estimates are as at the end of the financial year (30 June 2019) and currently:

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

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

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

Category	Concession	Density t/m^3	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Total Indicated and Inferred			**269.4**	**57.3**	**9.4**	**2.56**	**0.04**	**0.16**

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

Cusco Iron Ore Project (Peru) (Strike – 100%)

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

Category	Concession	Density t/m^3	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53

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

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

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

JORC Category	Fe% Range	Million Tonnes	Fe%	SIO_2%	AL_2O_3%	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

Note: The Mineral Resource was estimated using a 58% Fe lower cut-off wireframe.

Refer also to Strike's ASX Announcements dated:

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

Burke Graphite Project (Australia) (Strike – ~70%)

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

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

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

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

ANNUAL MINERAL RESOURCES STATEMENT

Compliance

- The Mineral Resources estimates in respect of the Apurimac and Cusco Iron Ore Projects (above) have not changed since reported in last year's (2018) Annual Report.
- The Mineral Resources estimate in respect of the Burke Graphite Project (above) has not changed since reported in last year's (2018) Annual Report.
- The Mineral Resources estimate in respect of the Paulsens East Iron Ore Project (above) was prepared and first disclosed subsequent to the financial year ended 30 June 2019.
- The Mineral Resources estimates (above) are based on, and fairly represents, information and supporting documentation prepared by a Competent Person (recognised under the JORC Codes (2004 and 2012, as the case may be)).
- The Annual Mineral Resources Statement as a whole (in respect of each of the Apurimac/Cusco Iron Ore Projects, Paulsens East Iron Ore Project and the Burke Graphite Project) has been approved by the Competent Persons named in the JORC Code Competent Persons' Statements section of this Annual Report (at pages 78 to 80) where further information concerning their qualifications and professional memberships are also disclosed.
- Due to the nature, stage and size of the Company's existing operations, Strike believes there would be no efficiencies gained by establishing a separate Mineral Reserves/Resources Committee responsible for reviewing and monitoring the Company's processes for calculating JORC Code compliant Mineral Reserves/Resources. The Board as a whole has responsibility in this regard (with assistance from external advisers as appropriate) including ensuring that appropriate internal controls are applied to such calculations.
- The Company ensures that any Mineral Reserve/Resource calculations are prepared by Competent Persons and where appropriate, reviewed independently and verified (including estimation methodology, sampling, analytical and test data).
- The Company will report any future Mineral Reserves/Resources estimates in accordance with the 2012 JORC Code.

JORC CODE COMPETENT PERSONS' STATEMENTS

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

The information in this document that relates to Mineral Resources in relation to the Apurimac Iron Ore Project (Peru) is extracted from the following ASX market announcement made by 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" (the **JORC Code**). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

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

JORC Code (2012) Competent Person Statement – Paulsens East Project Mineral Resources

(a) The information in this document that relates to **Mineral Resources** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:

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

The information in the original announcements is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Jones, who is a Member of AusIMM and the Australian Institute of Geoscientists (**AIG**). Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 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.

(b) The information in this document that relates to **metallurgical test work, Exploration Targets** and other **Exploration Results** (as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities; and
- 1 August 2019: Strong Progress at the Paulsens East Iron Ore Project.

JORC CODE COMPETENT PERSONS' STATEMENTS

The information in the original announcements is based on and fairly represents information and supporting documentation compiled by Mr Philip Jones, who is a Member of the AusIMM and AIG. Mr Jones is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS Metallurgy Iron Ore Technical Centre (ALS IOTC) on a bulk sample collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork report. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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

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

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

The information in the original announcement that relates to Exploration Targets is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG, who is a Member of AIG. Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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

(a) The information in this document that relates to **Mineral Resources** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcement made by Strike Resources Limited on:

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

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

(b) The information in this document that relates to **metallurgical test work** in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by Strike Resources Limited on:

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

JORC CODE COMPETENT PERSONS' STATEMENTS

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 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.

(c) The information in this document that relates to **Exploration Results** (including in relation to the ground Electro-Magnetic (EM) survey) in relation to the Burke Graphite Project (Queensland) is extracted from the following ASX market announcements made by Strike Resources Limited on:

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

The information in the original announcements that relates to Exploration Results (including in relation to the ground Electro-Magnetic (EM) survey) is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (*Sydney*) AIG ASEG, who is a Member of AIG. Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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

FORWARD LOOKING STATEMENTS

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

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

ADDITIONAL ASX INFORMATION
as at 25 October 2019

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2019.

Pursuant to ASX Listing Rule 4.10.3, the Company's 2019 Corporate Governance Statement (dated on or about 29 October 2019) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website:
http://strikeresources.com.au/corporate/corporate-governance/

ISSUED CAPITAL

Class of Security	Quoted on ASX
Fully paid ordinary shares	167,134,268

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	352	144,660	0.087%
1,001	-	5,000	565	1,660,504	0.994%
5,001	-	10,000	258	2,094,312	1.253%
10,001	-	100,000	376	12,737,243	7.621%
100,001	-	and over	128	150,497,549	90.046%
TOTAL			**1,679**	**167,134,268**	**100.00%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	12,195	1,215	4,342,862	2.598%
12,196	-	over	464	162,791,406	97.402%
TOTAL			**1,679**	**167,134,268**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 12,499 shares or less (being a value of $500 or less in total), based upon the Company's closing share price of $0.041 on 25 October 2019.

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- Each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative;
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote; and
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

ADDITIONAL ASX INFORMATION
as at 25 October 2019

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	31.44%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,447,581	15.82%
3	DATABASE SYSTEMS LTD	11,704,063	7.00%
4	ORION EQUITIES LIMITED	10,000,000	5.98%
5	IRIS SYDNEY HOLDINGS PTY LTD	2,580,000	1.54%
6	ACN 139 886 025 PTY LTD	2,260,261	1.35%
7	RUBI HOLDINGS PTY LTD	2,222,223	1.33%
8	JP MORGAN NOMINEES AUSTRALIA LIMITED	1,864,105	1.12%
9	MR JON FAZZALORI	1,814,390	1.09%
10	UPSKY EQUITY PTY LTD	1,805,533	1.08%
11	MR IANAKI SEMERDZIEV	1,379,000	0.83%
12	MR VU QUANG MINH DANG & MRS THI KIM DAU NGUYEN	1,167,916	0.70%
13	D&C PESCA S.A.C.	1,081,027	0.65%
14	MRS LILIANA TEOFILOVA	947,000	0.57%
15	MR JOHN CLIFFORD GOULDING & MRS CAROL ANN GOULDING	920,000	0.55%
16	LAVISH LIMOUSINES PTY LTD	907,617	0.54%
17	MR CHI MAU PHUONG	894,777	0.54%
18	SKYWALKER HOLDINGS WA PTY LTD	888,889	0.53%
19	WINDELL HOLDINGS PTY LTD	888,889	0.53%
20	EMPIRE HOLDINGS	700,000	0.42%
	TOTAL	**123,026,764**	**73.61%**

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares Held	% Voting Power
Bentley Capital Limited[I]	Bentley Capital Limited	52,553,493	31.44%
Windfel Properties Limited and Associate [II]	HSBC Custody Nominees (Australia) Limited	25,825,000	15.45%
Database Systems Ltd and Ambreen Chaudhri[III]	Database Systems Ltd	11,704,063	7.00%
Orion Equities Limited[IV]	Orion Equities Limited	10,000,000	5.98%
Queste Communications Ltd[V]	Orion Equities Limited	10,000,000	5.98%

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

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

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

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

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

ASX Code: SRK

STRIKE RESOURCES LIMITED
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