FULL YEAR REPORT

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

30 JUNE 2020

ASX Code: SRK

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

REGISTERED OFFICE

Level 2
31 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9700

E | info@strikeresources.com.au
W | www.strikeresources.com.au

SHARE REGISTRY
Advanced Share Registry
Western Australia – Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156
Nedlands WA 6909
Local T | 1300 113 258
T | (08) 9389 8033
F | (08) 6370 4203
E | info@strikeresources.com.au

New South Wales – Branch Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
PO Box Q1736
Queen Victoria Building NSW 1230

T | (02) 8096 3502

W | www.strikeresources.com.au

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CORPORATE DIRECTORY

BOARD

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

COMPANY SECRETARY
Victor Ho

PRINCIPAL AND REGISTERED OFFICE
Level 2
31 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9214 9700

Email: info@strikeresources.com.au
Website: www.strikeresources.com.au

AUDITORS
Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsayresources.com.au

STOCK EXCHANGE
Australian Securities Exchange
Perth, Western Australia

ASX CODE
SRK

SHARE REGISTRY
Advanced Share Registry
Main Office:
110 Stirling Highway
Nedlands, Western Australia 6009
Local Telephone: 1300 113 258
Telephone: (08) 9389 8033
Facsimile: (08) 6370 4203
Email: admin@advancedshare.com.au
Investor Web: www.advancedshare.com.au

Sydney Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

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 2020 (**Balance Date**).

SRK is a company limited by shares that was incorporated in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since 7 March 2000 (ASX Code: SRK).

The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, being wholly owned subsidiaries.

PRINCIPAL ACTIVITIES

Strike Resources Limited is an ASX listed resource company which is developing the Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Magnetite Iron Ore Project in Peru and 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 evaluation and development of its Paulsens East Iron Ore Project in Western Australia;
- the advancement of environmental approvals for an exploration programme at its Solaroz Lithium-Brine Project in Argentina;
- the evaluation of its Apurimac Iron Ore Project in Peru; and
- the evaluation of its Burke Graphite Project in Queensland.

OPERATING RESULTS

Consolidated	June 2020 $	June 2019 $
Total revenue	74,016	306,461
Total expenses	(1,475,729)	(2,181,554)
Loss before tax	(1,401,713)	(1,875,093)
Income tax expense	-	-
Loss after tax	(1,401,713)	(1,875,093)

CASH FLOWS

Consolidated	June 2020 $	June 2019 $
Net cash flow from operating activities	(1,623,313)	(1,728,417)
Net cash flow from investing activities	1,063,496	568,164
Net cash flow from financing activities	2,609,968	-
Net change in cash held	2,050,151	(1,160,253)
Cash held at year end	3,241,161	1,289,411

In addition to its cash reserves, Strike held an investment portfolio of $0.164 million comprising securities in ASX listed resource stocks (30 June 2019: $1.34 million).

DIRECTORS' REPORT

FINANCIAL POSITION

Consolidated	June 2020 $	June 2019 $
Cash	3,241,161	1,289,411
Financial assets at fair value through profit or loss	164,083	1,340,686
Exploration and evaluation expenditure	1,016,713	348,956
Receivables	57,494	166,391
Other assets	9,991	7,502
Liabilities	(254,373)	(117,992)
Net assets	**4,235,069**	**3,034,954**
Issued capital	151,049,893	148,439,925
Reserves	15,065,961	15,074,101
Accumulated losses	(161,880,785)	(160,479,072)
Total equity	**4,235,069**	**3,034,954**

REVIEW OF OPERATIONS

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, ~233 kilometres by road (of which ~210 kilometres is good quality paved road) from the Port of Onslow and ~590 kilometres by road from Port Hedland. 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 an increase in iron ore prices, in June 2019, Strike 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.[1]

On 18 July 2019, Strike reported a significant Maiden JORC Inferred Mineral Resource for Paulsens East.[2]

On 4 September 2019, Strike reported a significant upgrade of the Paulsens East resource from an Inferred to an Indicated JORC Mineral Resource category.[3]

On 28 November 2019, Strike released the results of a Scoping Study based upon ore being trucked from the mine to Onslow predominantly by sealed road, where it will be stockpiled prior to being loaded directly from the wharf at Beadon Creek for transhipment into ocean going vessels for export to customers.[4]

On 9 April 2020, Strike released the results of a Revised Scoping Study based upon the Utah Point Multi-User Bulk Handling facility (**Utah Point**) in Port Hedland as the export port.[5]

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

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

4 Refer Strike's ASX Announcement dated 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project

5 Refer Strike's ASX Announcements dated 9 April 2020: Revised Scoping Study for Utah Point, Port Hedland Supports Excellent Project Economics for Paulsens East Iron Ore Project and 25 March 2020: Utah Point, Port Hedland Considered as Preferred Port Option for Paulsens East Iron Ore Project

DIRECTORS' REPORT

On 14 August 2020, Strike entered into a Native Title Mining Agreement (**Native Title Agreement**) and State Deed (for the grant of a mining lease) (**State Deed**) with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**). The PKKPAC holds native title on trust for the benefit of the Puutu Kunti Kurrama and Pinikura People (**PKKP**) Traditional Owners.[6]

On 4 September 2020, Strike received the grant of a Mining Lease (M47/1583) for an initial term of 21 years.[7]

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

- 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project
- 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East
- 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development
- 22 July 2020: Native Title Agreement Progress to Final Stage
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 22 June 2020: Engenium to Complete Paulsens East Feasibiity Study
- 29 April 2020: MOU Executed for Iron Ore Haulage Services with Campbell Transport for Paulsens East Iron Ore Project
- 9 April 2020: Revised Scoping Study for Utah Point, Port Hedland Supports Excellent Project Economics for Paulsens East Iron Ore Project
- 3 April 2020: Final Heritage Surveys Now Completed for Paulsens East Iron Ore Project
- 25 March 2020: Utah Point, Port Hedland Considered as Preferred Port Option for Paulsens East Iron Ore Project
- 12 February 2020: Substantial Progress Towards Development of Paulsens East Iron Ore Project
- 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource
- 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project
- 19 November 2019: Beadon Creek Onslow Selected as Preferred Port for Paulsens East
- 24 October 2019: Strike Strengthens Management Team for Paulsens East Iron Ore Project with Key Appointments
- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project
- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara
- 1 August 2019: Strong Progress at the Paulsens East Iron Ore Project
- 19 June 2019: Strike's Iron Ore Assets

6 Refer Strike's ASX Announcement dated 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development
7 Refer Strike's ASX Announcement dated 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project

DIRECTORS' REPORT

Solaroz Lithium Project (Argentina)

Strike holds a 90% interest in the highly prospective Solaroz Lithium Brine Project (**Solaroz**) within South America's 'Lithium Triangle' in North-West Argentina.[8]

Solaroz comprises 8 exploitation concessions totalling 12,000 hectares located in Jujuy Province in northern Argentina and is located in the same Salar de Olaroz Basin as the producing Salar de Olaroz Lithium Brine Project operated by Orocobre Limited (ASX:ORE) (and its JV partner, Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) and concessions held by Lithium Americas Corporation (TSX:LAC).

In July 2019, Strike completed the preparation of an Environmental Impact Assessment (**EIA**) Report for exploration work at Solaroz.[9] 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 understands that the review and approval of its EIA Report by the Jujuy Mining Authority has been delayed by COVID-19 pandemic related issues in Argentina. The Argentine authorities have also restricted the ability of mining companies to undertake exploration activities due to the COVID-19 pandemic. Both of these matters will impact upon Strike advancing this project in the short-term.

The terms of acquisition are also summarised in Note 22(g) (Contingencies - Deferred Payments Relating to Acquisition of Solaroz Lithium Project (Argentina)) of the accompany financial statements.

For further details, please refer to Strike's announcements on the Solaroz Lithium Brine Project:

- 19 July 2019: Completion of Environmental Impact Assessment Report for Solaroz Lithium Project, Argentina
- 17 April 2019: Strike Commences Solaroz Lithium Brine Project Work Programme in Argentina
- 13 March 2019: Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle, a copy of which is attached to this Half Year Report

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.[10] 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[11] and updated in 2010[12] on the Apurimac Project.

The Ministry of Transport and Communications in Peru (**MOTC**) has awarded a tender to an international consortium of engineering companies (Consorcio Ferrocarril Del Sur, the **Southern Railway Consortium**)[13] to complete a study on the construction of 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**).[14]

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

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

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

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

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

13 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

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

DIRECTORS' REPORT

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 with the Southern Railway Consortium to share its own railway study[12], provide input and advice and otherwise cooperate with the consortium in whatever way it can to expedite the completion of its feasibility study.[15]

In August 2019, Strike's 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.[16]

Due to the impact of the COVID-19 pandemic, Strike understands that the Southern Railway Consortium's Andahuaylas Railway Study will be delayed beyond its original published timetable (of mid-2020). In addition, Strike notes that the Peruvian Government has also restricted the ability of mining companies to undertake exploration activities due to the COVID-19 pandemic and Strike believes this will have an impact on any advancement of this project in the short-term.

Burke Graphite Project (Queensland)

Strike's Burke Graphite Project[17] (in which Strike holds a ~70% interest[18]) 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.[19]

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[20]) 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.[21]

No material activity was undertaken on this project during the financial year - the COVID-19 pandemic will have an impact on any advancement of this project in the short-term.

For further details, please refer to Strike's announcements on the Burke Graphite Project:

- 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

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

16 Refer also Strike's ASX Announcement dated 5 December 2019: Railway Project Gathers Momentum in Peru – Positive Outlook for Strike's Apurimac Iron Ore Project

17 Refer Strike's ASX Announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland

18 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).

19 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).

20 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

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

DIRECTORS' REPORT

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

Quarterly Reports

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

- 31 July 2020: Quarterly Activities and Cash Flow Reports for June 2020;
- 30 April 2020: Quarterly Activities and Cash Flow Reports for March 2020;
- 31 January 2020: Quarterly Activities and Cash Flow Reports for December 2019; and
- 31 October 2019: Quarterly Activities and Cash Flow Reports for September 2019.

DIVIDENDS

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

SECURITIES ON ISSUE

The Company has 207,134,268 fully paid ordinary shares on issue as at 30 June 2020 and currently (30 June 2019: 145,334,268). All such shares are listed on ASX. The Company has no other securities on issue.

CAPITAL RAISINGS

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.[22] This issue was ratified and approved by shareholders at a general meeting[23] held on 6 September 2019[24].

On 5 June 2020, the Company raised $1.8 million through a placement of 40,000,000 shares at 4.5 cents per share to professional and sophisticated investors.[25] This issue was ratified and approved by shareholders at a general meeting[26] held on 2 September 2020[27], thus refreshing the Company's 15% placement capacity under the ASX Listing Rules.

The funds raised from these placements (net of expenses associated with their issue) are being 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.

At the 2 September 2020 General Meeting, shareholders also approved a resolution giving the Directors the flexibility and timeliness to issue up to 60 million new shares to wholesale (ie. sophisticated or professional) investors (subject to a minimum price[28]) during a 3 month period after the date of the General Meeting, without using up the Company's 15% placement capacity and without the need to seek prior shareholder approval.

22 Refer Strike's ASX Announcements dated 19 July 2019: Appendix 3B – New Issue and Application for Quotation – 21.8M and 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe - Paulsens East Iron Ore Project in the Pilbara

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

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

25 Refer Strike's ASX Announcements dated 5 June 2020: Appendix 21 – Application for Quotation of 40M Shares, 1 June 2020: Proposed Issue of Securities – SRK and 1 June 2019: Completion of $1.8 Million Capital Raising

26 Refer Strike's ASX Announcement dated 30 July 2020: Notice of General Meeting, Explanatory Statement and Proxy Form

27 Refer Strike's ASX Announcement dated 2 September 2020: Results of General Meeting

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

DIRECTORS' REPORT

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

FUTURE DEVELOPMENTS

The Consolidated Entity will continue to:

- advance the evaluation and development of its Paulsens East Iron Ore Project in Western Australia;
- advance the exploration and evaluation of its Solaroz Lithium-Brine Project in Argentina;
- advance its other resource projects through exploration, evaluation and development (as appropriate, as the case may be); and
- potentially investigate and pursue other prospective projects in the resources sector.

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

ENVIRONMENTAL REGULATION

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

DIRECTORS' REPORT

BOARD OF DIRECTORS

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	1,813,231 shares (held jointly)[29] (30 June 2020: 530,010 shares (held 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	Alternate Director of Keybridge Capital Limited (ASX:KBC) (26 June to 18 July 2019)

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)[30]
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 Molopo Energy Limited (ASX:MPO) (since 31 May 2018)
Former directorships in other listed entities in past 3 years	Keybridge Capital Limited (ASX:KBC) (29 July 2016 to 17 April 2020) Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

29 Refer Strike's ASX Announcement dated 28 August 2020: Appendix 3Y – Change of Director's Interest Notice – F Khan
30 Refer Strike's ASX Announcement dated 20 May 2019: Change of Director's Interest Notice - William Johnson

DIRECTORS' REPORT

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

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)

DIRECTORS' REPORT

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 20 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX 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)
Former position in other listed entities in past 3 years	Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019)

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	7	7	2	2	-	-
William Johnson	7	7	-	-	-	-
Malcolm Richmond	6	7	1	2	-	-
Matthew Hammond	5	7	1	2	-	-
Victor Ho[(a)]	7	7	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/.

DIRECTORS' REPORT

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/.

REMUNERATION REPORT

Fixed Cash Short-term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of $550,000[31] 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 (as at 30 June 2020):

(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 $15,000 per annum plus employer superannuation contributions; and

(e) Mr Matthew Hammond (Non-Executive Director) - a base fee of $15,000 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[32]. 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[33]. The Company has not granted any options to Key Management Personnel during the financial year.

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

32 Refer Strike's ASX Announcement dated 6 November 2008: Results of Annual General Meeting

33 Refer Strike's ASX Announcement dated 8 October 2008: Notice of 2008 AGM and Explanatory Statement and Proxy Form

REMUNERATION REPORT

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

Performance-Related Benefits and Financial Performance of Company: Save for any applicable STI(s) 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.

	2020	**2019**	**2018**	**2017**	**2016**
Profit/(Loss) Before Income Tax	(1,401,713)	(1,875,093)	(681,614)	(1,147,929)	(628,670)
Basic Earnings/(Loss) per share (cents)	(0.83)	(1.22)	(0.47)	(0.79)	(0.43)
Dividends Paid (total)	-	-	-	-	-
Dividends Paid (per share)	-	-	-	-	-
Capital Returns Paid (total)	-	-	-	-	-
Capital Returns Paid (per share)	-	-	-	-	-
VWAP Share Price on ASX for financial year ($)	0.051	0.074	0.066	0.053	0.050
Closing Bid Share Price on ASX at 30 June ($)	0.045	0.045	0.053	0.042	0.040

(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:

2020		**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	-	36,250	-	3,444	-	-	39,694
Victor Ho	-	45,000	-	4,275	-	-	49,275
Matthew Hammond	-	36,250	-	-	-	-	36,250
Company Secretary:							
Victor Ho	-	50,000	-	4,750	-	-	54,750

2019		**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	-	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

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 superannuatio n 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 2019	Received as part of remuneration	Net Other Change	Balance at 30 June 2020
Farooq Khan	750,803	-	-	750,803
William Johnson	349,273	-	-	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)

REMUNERATION REPORT

(8) Voting and Comments on the Remuneration Report at the 2019 AGM

At the Company's most recent (2019) AGM, a resolution to adopt the prior year (2019) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (96.8%) support in favour of adopting the Remuneration Report.[34] No comments were made on the Remuneration Report at the 2019 AGM.

This concludes the audited Remuneration Report.

34 Refer Strike's ASX Announcement dated 28 November 2019: Results of 2019 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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 20. This relates to the Auditor's Report, where the Auditors state that they have issued an independence declaration.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report or the financial statements or notes thereto (in particular Note 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

18 September 2020

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
31 Ventnor Avenue
West Perth WA 6005

Dear Directors

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 2020 financial statements; and

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

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

Daniel Dalla CA (Lead auditor)
Partner
Rothsay Auditing

Dated 18 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	2020	2019
REVENUE	2	**$**	**$**
Interest revenue		11,412	35,281
Other			
Dividend revenue		12,288	101,112
Other income		50,316	159,151
Foreign exchange gain		-	10,917
TOTAL REVENUE AND INCOME		**74,016**	**306,461**
EXPENSES	**3**		
Exploration and evaluation expenses		(194,441)	(953,112)
Net loss on financial assets at fair value through profit or loss		(133,395)	(21,362)
Personnel expenses		(499,886)	(524,647)
Corporate expenses		(304,768)	(426,574)
Occupancy expenses		(83,234)	(60,546)
Finance expenses		(3,200)	(8,969)
Foreign exchange loss		(90,261)	-
Administration expenses		(166,544)	(186,344)
LOSS BEFORE INCOME TAX		**(1,401,713)**	**(1,875,093)**
Income tax expense	**5**	-	-
LOSS FOR THE YEAR		**(1,401,713)**	**(1,875,093)**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		(8,140)	77,344
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,409,853)**	**(1,797,749)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	**6**	(0.83)	(1.24)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Note	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	7	3,241,161	1,289,411
Financial assets at fair value through profit or loss	8	164,083	1,340,686
Receivables	11	57,494	166,391
Other current assets		5,833	4,000
TOTAL CURRENT ASSETS		**3,468,571**	**2,800,488**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	12	1,016,713	348,956
Property, plant and equipment		4,158	3,502
TOTAL NON-CURRENT ASSETS		**1,020,871**	**352,458**
TOTAL ASSETS		**4,489,442**	**3,152,946**
CURRENT LIABILITIES			
Payables	13	244,412	112,307
Provisions		9,961	5,685
TOTAL CURRENT LIABILITIES		**254,373**	**117,992**
TOTAL LIABILITIES		**254,373**	**117,992**
NET ASSETS		**4,235,069**	**3,034,954**
EQUITY			
Issued capital	14	151,049,893	148,439,925
Reserves	15	15,065,961	15,074,101
Accumulated losses		(161,880,785)	(160,479,072)
TOTAL EQUITY		**4,235,069**	**3,034,954**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

		Issued capital	Currency translation reserve	Share-based payments reserve	Accumulated losses	Total
		$	$	$	$	$
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 half 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**
BALANCE AT 1 JUL 2019		**148,439,925**	**1,841,075**	**13,233,026**	**(160,479,072)**	**3,034,954**
Loss for the year		-	-	-	(1,401,713)	(1,401,713)
Other comprehensive income		-	(8,140)	-	-	(8,140)
				-	-	-
Total comprehensive loss for the half year		**-**	**(8,140)**	**-**	**(1,401,713)**	**(1,409,853)**
Transactions with owners in their capacity as owners:						
Issue of shares	**14**	2,781,000	-	-	-	2,781,000
Cost of issued shares	**14**	(171,032)	-	-	-	(171,032)
BALANCE AT 30 JUN 2019		**151,049,893**	**1,832,935**	**13,233,026**	**(161,880,785)**	**4,235,069**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(811,431)	(1,166,933)
Payments for exploration and evaluation		(862,198)	(561,484)
Other receipts - ATO		50,000	-
Other income received		316	-
NET CASH USED IN OPERATING ACTIVITIES	**7(a)**	**(1,623,313)**	**(1,728,417)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		11,412	35,281
Dividends received		12,288	101,112
Payment for share investments		(279,362)	(3,536,739)
Proceeds from realisation of share investments		1,322,569	3,971,840
Payment for purchases of plant and equipment		(3,411)	(3,330)
NET CASH USED IN INVESTING ACTIVITIES		**1,063,496**	**568,164**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	**14**	2,781,000	-
Cost of issuing shares	**14**	(171,032)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**2,609,968**	**-**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,050,151**	**(1,160,253)**
Cash and cash equivalents at beginning of financial year		1,289,411	2,361,403
Effect of exchange rate changes on cash held		(98,401)	88,261
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR	**7**	**3,241,161**	**1,289,411**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 30 June 2020

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 (ASX:SRK) (the **Company** or **SRK**), its subsidiaries and investments in associates (the **Consolidated Entity** or **Strike**). The financial report is presented in the Australian currency.

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

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

Information is considered material and relevant if, for example:

(a) the amount in question is significant because of its size or nature;

(b) it is important for understanding the results of the Consolidated Entity;

(c) it helps to explain the impact of significant changes in the Consolidated Entity's business; or

(d) it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

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

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

Notes
2 Revenue
3 Expenses
4 Segment information
5 Income tax expense
6 Loss per share

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

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

(c) **Other Assets and Liabilities**: Provides information on other balance sheet assets and liabilities that do 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 2020

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 2020 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Strike or the Consolidated Entity.

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

1.4 Comparative Figures

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

1.5 Goods and Services Tax (GST)

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

1.6 Impairment of Assets

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

1.7 Leases

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

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

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

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

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

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

Exceptions to lease accounting

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

1.8 New, revised or amending Accounting Standards and Interpretations adopted

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:	2020 $	2019 $
Revenue		
Interest revenue	11,412	35,281
	11,412	35,281
Other		
Dividend revenue	12,288	101,112
Other income	50,316	159,151
Foreign exchange gain	-	10,917
	74,016	**306,461**

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. 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:	2020 $	2019 $
Net loss on financial assets at fair value through profit or loss	133,395	21,362
Exploration and evaluation expenses		
Impairment loss	188,485	686,683
Other exploration and evaluation expenses	5,956	266,429
Personnel expenses		
Salaries, fees and employee benefits	499,886	524,647
Occupancy expenses	83,234	60,546
Finance expenses	3,200	8,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2020

3. EXPENSES (continued)	2020 $	2019 $
Corporate expenses		
Professional fees	129,272	262,436
ASX and CHESS fees	40,872	27,053
ASIC fees	6,800	6,295
Accounting, taxation and related administration	103,641	106,310
Audit	14,000	14,000
Share registry	5,988	6,207
Other corporate expenses	4,195	4,273
Foreign exchange loss	90,261	-
Administration expenses		
Insurance	19,112	16,897
Office administration	50,578	53,816
Travel, accommodation and incidentals	24,215	49,922
Depreciation	2,755	2,075
Other administration expenses	69,884	63,634
	1,475,729	**2,181,554**

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 year ended 30 June 2020

4. SEGMENT INFORMATION (continued)

	Argentina	Peru	Australia	Total
2020	**$**	**$**	**$**	**$**
Revenue	-	-	11,412	11,412
Other	-	-	62,604	62,604
Total segment revenues	-	**-**	**74,016**	**74,016**
Net loss on financial assets at fair value through profit or loss	-	**-**	133,395	133,395
Exploration and evaluation expenses	-	1,444	192,997	194,441
Personnel expenses	-	-	499,886	499,886
Corporate expenses	-	123,603	181,165	304,768
Finance expenses	-	1,104	2,096	3,200
Depreciation expense	-	-	2,755	2,755
Other expenses	-	136,053	201,231	337,284
Total segment loss	**-**	**(262,204)**	**(1,139,509)**	**(1,401,713)**
Adjusted EBITDA	**-**	**(262,204)**	**(1,142,264)**	**(1,404,468)**
Total segment assets	**343,857**	**48,194**	**4,097,391**	**4,489,442**
Total segment liabilities	**-**	**102,273**	**152,100**	**254,373**
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**

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 year ended 30 June 2020

5. INCOME TAX EXPENSE

		2020	2019
(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% (2019: 27.5%)	(385,471)	(515,650)
	Adjust tax effect of:		
	Non-deductible expenses	7,948	23,363
	Movement in unrecognised temporary differences	(746,747)	(515,088)
	Current year tax losses not recognised	1,124,270	1,007,375
	Income tax attributable to entity	-	-
(c)	**Unrecognised deferred tax balances**		
	Unrecognised deferred tax asset - revenue losses	8,772,764	8,278,713
	Unrecognised deferred tax asset - other	4,238,211	4,238,211
		13,010,975	**12,516,924**

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 year ended 30 June 2020

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

	2020	2019
	cents	**cents**
Basic and diluted loss per share	(0.83)	(1.22)

The following represents the loss and weighted average number of shares used in the EPS calculations:		
Net loss after income tax	(1,409,853)	(1,766,376)
	Shares	**Shares**
Weighted average number of ordinary shares	169,072,520	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.

7. CASH AND CASH EQUIVALENTS

	2020	2019
	$	**$**
Cash at bank	3,191,068	1,264,411
Term deposits	50,093	25,000
	3,241,161	**1,289,411**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2020

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of operating loss after income tax to net cash used in operating activities	2020 $	2019 $
Loss after income tax	**(1,401,713)**	**(1,875,093)**
Add non-cash items:		
Depreciation	2,755	2,075
Write off of office equipment	-	659
Impairment of exploration and evaluation expenses	188,485	686,683
Unrealised movement in financial assets	80,112	301,802
Adjustment for movement in foreign exchange	90,262	(10,917)
Changes in assets and liabilities:		
Receivables	85,197	(138,941)
Other current assets	(1,833)	17,066
Financial assets at fair value through profit or loss	53,283	(280,441)
Exploration and evaluation expenditure	(856,243)	(454,206)
Payables	132,106	23,151
Provisions	4,276	(255)
	(1,623,313)	**(1,728,417)**

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	2020 $	2019 $
Listed securities at fair value	164,083	1,340,686

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 year ended 30 June 2020

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	2020 $	2019 $
Cash and cash equivalents	**7**	3,241,161	1,289,411
Financial assets at fair value through profit or loss	**8**	164,083	1,340,686
Receivables	**11**	57,494	166,391
		3,462,738	**2,796,488**
Payables	**13**	(244,412)	(112,307)
Net financial assets		**3,218,326**	**2,684,181**

(a) Market risk

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

(i) Price risk

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

9. FINANCIAL RISK MANAGEMENT (continued)

(i) Price risk (continued)	**Impact on post-tax profit**		**Impact on equity**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Increase 5%	8,204	67,034	8,204	67,034
Decrease 5%	(8,204)	(67,034)	(8,204)	(67,034)

(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:

	2020	**2019**
	USD	**USD**
Cash and cash equivalents	33,288	39,695
Payables	(70,641)	(34,007)
Net financial assets/(liabilities)	(37,353)	5,688

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**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Increase 10%	(3,735)	569	(3,735)	569
Decrease 10%	3,735	(569)	3,735	(569)

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The weighted average interest rate of the cash at bank for the year for the table below is 0.35% (2019: 1.93%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)	**2020**	**2019**
	$	**$**
Cash at bank	3,191,068	1,264,411
Term deposit	50,093	25,000
	3,241,161	**1,289,411**

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**	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Increase by 25bps	8,103	3,224	8,103	3,224
Decrease by 25bps	(8,103)	(3,224)	(8,103)	(3,224)

(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:

	2020	**2019**
Cash and cash equivalents	**$**	**$**
AA-	3,192,021	1,232,048
No external credit rating available	48,194	56,105
	3,240,215	**1,288,153**
Receivables (due within 30 days)		
No external credit rating available	**57,494**	**166,391**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

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				
2020	164,083	-	-	**164,083**
2019	1,340,686	-	-	**1,340,686**

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	2020 $	2019 $
Cash and cash equivalents	7	3,241,161	1,289,411
Receivables	11	57,494	166,391
		3,298,655	1,455,802
Payables	13	(244,412)	(112,307)
		3,054,243	1,343,495

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

11. RECEIVABLES

	2020 $	2019 $
Receivable from sale of listed securities	-	135,252
Other receivables	57,494	31,139
	57,494	**166,391**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

11. RECEIVABLES (continued)

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	2020	2019
	$	$
Opening balance	348,956	581,433
Exploration and evaluation costs	856,242	454,206
Impairment loss	(188,485)	(686,683)
Closing balance	**1,016,713**	**348,956**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2020

12. EXPLORATION AND EVALUATION EXPENDITURE (continued)

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

	2020	2019
	$	$
Trade payables	217,894	89,417
Other creditors and accruals	26,518	22,890
	244,412	**112,307**

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

	2020	2019
	$	$
207,134,268 (2019: 145,334,268) fully paid ordinary shares	**151,049,893**	**148,439,925**

Movement in fully paid ordinary shares	**Date of issue**	**Number of shares**	**$**
At 1 Jul 2019		145,334,268	148,439,925
Issue of shares at 4.5 cents	18-Jul-19	21,800,000	981,000
Cost of share issue			(58,861)
Issue of shares at 4.5 cents	5-Jun-20	40,000,000	1,800,000
Cost of share issue			(112,171)
At 30 Jun 2020		**207,134,268**	**151,049,893**

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 year ended 30 June 2020

15. RESERVE

	2020	2019
	$	$
Share-based payments reserve	13,233,026	13,233,026
Foreign currency translation reserve	1,832,935	1,841,075
	15,065,961	**15,074,101**

(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 year ended 30 June 2020

17. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Strike Resources Limited, as at 30 June 2020.

	2020	2019
Statement of profit or loss and other comprehensive income	**$**	**$**
Loss for the year	(912,682)	(811,151)
Other comprehensive income	-	-
Total comprehensive income for the year	**(912,682)**	**(811,151)**
Statement of financial position		
Current assets		
Cash and cash equivalents	3,192,295	1,233,306
Financial assets at fair value through profit or loss	162,283	1,334,422
Other	63,038	152,708
Non current assets	3,793,871	2,675,269
Total assets	**7,211,487**	**5,395,705**
Current liabilities	152,100	33,605
Total liabilities	**152,100**	**33,605**
Net assets	**7,059,387**	**5,362,100**
Issued capital	151,049,893	148,439,924
Options reserve	13,233,025	13,233,025
Accumulated losses	(157,223,531)	(156,310,849)
Equity	**7,059,387**	**5,362,100**

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

18. INVESTMENT IN CONTROLLED ENTITIES

		Ownership interest	
Investment in controlled entities	**Incorporated**	**2020**	**2019**
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%	90%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2020

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 2020. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2020	2019
Directors	**$**	**$**
Short-term employee benefits	405,500	423,000
Post-employment benefits	35,079	35,910
Other KMP		
Short-term employee benefits	50,000	50,000
Post-employment benefits	4,750	4,750
	495,329	**513,660**

(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:

	2020	2019
Audit and review of financial statements	**$**	**$**
Rothsay Auditing	14,000	14,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

21. COMMITMENTS

(a) Lease Commitments

On 28 February 2020 the Consolidated Entity entered into a non-cancellable operating lease agreement for (shared) office premises. The lease is for a period of 37 months term expiring on 31 March 2023. The Consolidated Entity may give notice to terminate the lease (without penalty) prior to the second anniversary date. The office accommodation is shared with other companies, who have agreed to share payment of the lease costs (including outgoings).

Exceptions to lease accounting

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

(b) Mining Tenements/Concessions – Annual Fees and Expenditure Commitments

(i) Australian Tenements

The Consolidated Entity is required to pay annual lease rentals to the State Government and meet minimum annual expenditure commitments (subject to successful applications for exemption in relation thereto) in order to maintain rights of tenure over its granted Australian mining tenements. The total amount of these commitments will depend upon the number and area of granted mining tenements held/retained and whether and to what extent the Consolidated Entity has been successful in obtaining exemption(s) from meeting annual expenditure commitments.

(ii) Peruvian Mineral Concessions

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

22. CONTINGENCIES

(a) Directors' Deeds

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

(b) Paulsens East Tenement - Royalty

The Consolidated Entity has a liability to pay Orion Equities Limited (ASX:OEQ) a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenement (currently a Retention Licence RL 47/7 pending conversion to a Mining Lease ML 47/1583) in Western Australia. This royalty entitlement stems from the Consolidated Entity's acquisition of a portfolio of tenements (including the Paulsens East tenement) from Orion in September 2005. For further background details, refer also to Strike's ASX Announcements dated 20 September 2005: Acquisition of Uranium Tenements and 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

(c) Australian Native Title

The Consolidated Entity's tenements in Australia are (or may in the future be) subject to native title rights of the traditional owners under the *Native Title Act 1993 (Cth)*. Save as disclosed in Note 23, it is not possible to quantify the impact that native title may have on the operations of the Consolidated Entity in relation to these tenements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

22. CONTINGENCIES (continued)

(d) Government Royalties

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

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

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

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

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

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

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

The Consolidated Entity has royalty payment obligations as follows:

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

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

Due to the inherent uncertainty surrounding the achievement and timing of the above milestones/royalty triggers, the Consolidated Entity regards these future payment obligations as contingencies.

For further background details, refer also to Strike's ASX Announcement dated 31 December 2012: Strike Moves to 100% Ownership of AF.

(f) 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.

(g) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2020

22. CONTINGENCIES (continued)

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

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 (paid in April 2019)	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (**EIA**) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1.000.000	2,190,000
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 convert its holding in Hananta to a 1% Net Smelter Royalty.

In light of the above circumstances, the Consolidated Entity regards these future payment obligations as contingencies.

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

23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Native Title Mining Agreement

On 14 August 2020, the Consolidated Entity entered into a Native Title Mining Agreement (**Native Title Agreement**) with the PKKP Aboriginal Corporation RNTBC (**PKKPAC**). The PKKPAC holds native title on trust for the benefit of the Puutu Kunti Kurrama and Pinikura People (**PKKP**), the traditional owners of the land on which the Consolidated Entity's Paulsens East Iron Ore Project is located in the West Pilbara region of Western Australia. The Native Title Agreement provides an agreed framework for Strike to undertake its mining activities (that minimises the impact on Aboriginal Cultural Heritage with safeguards for the care and protection of the lands and rights of the PKKP) and includes a package of financial and business development related benefits for the PKKP, including upfront and milestone payments, a production payment based on the value of iron ore sales (of between 0.5% to 1%, subject to the price of iron ore sales achieved), an annual training and development allowance and opportunities for PKKP members to contract for the provision of certain support operations related to the Paulsens East Iron Ore Project. The PKKPAC also consented to the grant of the Project's Mining Lease and ancillary Miscellaneous Licences (which are required to support mining operations). Refer Strike's ASX Announcement dated 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development.

(b) Grant of Mining Lease

On 4 September 2020, the Mining Lease (M47/1583) for the Paulsens East Iron Ore Project was formally granted by the Western Australian Department of Mines, Industry Regulation and Safety for an initial term of 21 years. Refer Strike's ASX Announcement dated 7 September 2020: Grant of Mining Lease for Paulsens East Iron Ore Project.

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 21 to 44 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 2020 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

18 September 2020

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STRIKE RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strike Resources Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2020, 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 2020 and of its financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STRIKE RESOURCES LIMITED (continued)

Key Audit Matter - Cash and Cash Equivalents	***How our Audit Addressed the Key Audit Matter***
The Group's cash and cash equivalents make up 72% 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, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures over the existence of the Group's 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 significant cash holdings to independent third-party confirmations. We have also assessed the appropriateness of the disclosures included in the financial report.
Key Audit Matter - Exploration and Evaluation Expenditure	***How our Audit Addressed the Key Audit Matter***
The Group incurred significant exploration and evaluation expenditure during the year. We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. We have also assessed the appropriateness of the disclosures included in the financial report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STRIKE RESOURCES LIMITED (continued)

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 2020, 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STRIKE RESOURCES LIMITED (continued)

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 2020.

In our opinion the remuneration report of Strike Resources Limited for the year ended 30 June 2020 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

Dated 18 September 2020

Daniel Dalla
Partner

SECURITIES INFORMATION
as at 30 June 2020

ISSUED CAPITAL

Class of Security	Quoted on ASX
Fully paid ordinary shares	145,334,268

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	349	142,142	0.07%
1,001	-	5,000	558	1,640,462	0.79%
5,001	-	10,000	250	2,024,969	0.98%
10,001	-	100,000	388	13,670,870	6.60%
100,001	-	and over	199	189,655,825	91.56%
TOTAL			**1,744**	**207,134,268**	**100.00%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	11,111	1,185	4,104,641	1.98%
11,112	-	over	559	203,029,627	98.02%
TOTAL			**1,744**	**207,134,268**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 11,111 shares or less (being a value of $500 or less in total), based upon the Company's closing share price of $0.045 on 30 June 2020.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares Held	% Voting Power (as at 30 June 2020)
Bentley Capital Limited[35]	Bentley Capital Limited	52,553,493	25.37%
Windfel Properties Limited and Associate [36]	HSBC Custody Nominees (Australia) Limited	25,825,000	12.47%
Database Systems Limited and Ambreen Chaudhri[37]	Database Systems Ltd	11,704,063	5.65%
Orion Equities Limited[38]	Orion Equities Limited	10,000,000	4.83%
Queste Communications Ltd[39]	Orion Equities Limited	10,000,000	4.83%

35 Refer Bentley's ASX Announcement dated 5 June 2020: Notice of Change in Interests of Substantial Holder

36 Refer Notice of Change in Interests of Substantial Holder (Windfel Properties Limited) dated 9 June 2020

37 Refer Notice of Change in Interests of Substantial Holder (Database Systems Limited and Ambreen Chaudhri) dated 8 June 2020 and released on ASX on 9 June 2020

38 Refer Orion's ASX Announcement dated 5 June 2020: Notice of Change in Interests of Substantial Holder

39 Refer Queste's ASX Announcement dated 5 June 2020: 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

SECURITIES INFORMATION
as at 30 June 2020

TOP TWENTY, ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	25.37
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,495,000	12.79
3	DATABASE SYSTEMS LIMITED	11,704,063	5.65
4	ORION EQUITIES LIMITED	10,000,000	4.83
5	IRIS SYDNEY HOLDINGS PTY LTD	5,000,000	2.41
6	NORFOLK BLUE PTY LTD	4,415,197	2.13
7	MR VU QUANG MINH DANG + MRS THI KIM DAU NGUYEN	2,885,832	1.39
8	MR HONGWEI YAO	2,344,515	1.13
9	ACN 139 886 025 PTY LTD	2,260,780	1.09
10	RAINMAKER HOLDINGS (WA) PTY LTD	2,222,222	1.07
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,797,914	0.87
12	CHIFLEY PORTFOLIOS PTY LTD	1,610,000	0.78
13	MR NISCHAL DINESH JEENA	1,546,000	0.75
14	MR IANAKI SEMERDZIEV	1,379,000	0.67
15	RUBI HOLDINGS PTY LTD	1,250,000	0.60
16	JETOSEA PTY LTD	1,235,112	0.60
17	MR JON FAZZALORI	1,186,184	0.57
18	MR HAN SWEE TAN	1,111,600	0.54
19	MRS LAY HOON LEE	1,111,600	0.54
20	D&C PESCA S.A.C.	1,081,027	0.52
	TOTAL	**133,189,539**	**64.3%**