APURIMAC MINERAL RESOURCE UPDATED TO JORC 2012 STANDARD

Strike Resources Limited (ASX: SRK, "Strike" or "the Company") is pleased to report the previously released Mineral Resource for its Apurimac magnetite project in Peru has been updated in accordance with the 2012 edition of the JORC Code (JORC 2012).

The Mineral Resource previously reported under the 2004 JORC Code has undergone a comprehensive review for reporting under the JORC 2012 requirements. A key result of the review is that there has been no material change to the Mineral Resource reported on 11 February 2010. The Company is pleased to provide further detailed information in Appendix A of this announcement, prescribed by JORC 2012 as 'Table 1'.

The Company notes that work was suspended on the Apurimac project during 2014, taking account of a number of factors including negative market sentiment towards resource juniors with high capital cost projects, the slide in iron ore prices and some difficult local community issues in Peru that were frustrating our attempts to advance the project in a timely way.

The Company has explored opportunities to sell its Peru assets, but no commercially acceptable offers have to date been received. The holding costs of the Company's key assets in Peru are relatively low and the Company has no intention at this stage to relinquish them.

As previously announced, the Company retains a strong cash balance and is currently examining a range of future strategies for the Company.

Apurimac Mineral Resource Statement – 20 January 2015

The Apurimac project has a JORC resource of 269.4 Mt of iron ore, consisting of:

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

Combined Mineral Resources for Opaban 1 and Opaban 3

Category	Project	Density t/m³	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3	4	8.53	62.08	4.58	1.37	0.07	0.25
Totals			**269.4**	**57.3**	**9.4**	**2.56**	**0.04**	**0.16**

JORC 2012 Summary Information

The following summary of JORC 2012 information contained in Appendix A is provided under ASX Listing Rule 5.8.12.

Geology and geological interpretation

The Opaban deposit is an iron skarn located within the Andahuaylas – Yauri skarn/porphyry Belt.

The primary mineralisation is dominated by magnetite, generally medium to course grained. The surface expression is generally massive ironstones comprised predominantly of hematite and goethite which result from the weathering of the magnetite.

Based on the outcrop patterns and drilling data the mineralisation is predominantly flat-lying, although the deeper breccia zones may well be more steeply dipping structures as they contain variable amounts of the underlying (diorite) batholith.

Twenty (20) drilling cross-sections with mineralisation interpretation and analytical data were done from Opaban 1 with 8 cross sections from Opaban 3. The cross-sectional interpretations of the mineralisation domain were digitised based on these sections. The drill section interpretations were prepared using the drill hole logging data, surface geological mapping with cross-checking against the analytical, gravity and magnetic data. There is an excellent correlation between the logged mineralisation and the zones of high Fe content and strong magnetic and gravity responses. The contacts with barren host rocks (limestone and diorite) are generally quite sharp.

The mineralisation is generally flat-lying, following the distribution of the favourable limestone units although there is evidence of steeply dipping structures, mainly towards the base of the mineralised system. Given the majority of the drilling is vertical it is difficult to define these steeper dipping zones and hence the resource outline has been defined by the analytical data with gross control provided by the logging.

The strong correlation between logging and analytical data and the clear visual nature of the ore provides a high level of confidence in the overall geometry of the resource. A relatively conservative approach has been taken to defining the resource boundaries and the uncertainty level is very small compared with the size of the deposit, especially for Opaban 1.

Drilling techniques

Drilling at Opaban 1 consisted of three HQ diamond and face sampling reverse circulation (RC) drilling programs, set out below:

- 1564.7 metres over 15 holes in 2005,
- 929.45 metres over 10 holes in 2007, and
- 4820 metres over 40 holes in 2006.

At Opaban 3, 1102.85 metres of (predominantly) HQ diamond drilling was completed in 2005, with NQ drilling used only when difficulties were encountered with HQ.

Sampling techniques

At Opaban 1 a total of 3497 samples were analysed, with an average length of 2.08 m. At Opaban 3, a total of 706 half diamond core samples were analysed, with an average length of 1.56m. RC samples were routinely taken over 2m intervals, apart from zones of massive limestone where samples were composited up to 10m. Sample intervals were selected based on lithotype with a maximum interval of 2m for mineralised zones, however intervals for barren lithologies were up to 10m.

Sub-sampling techniques

Marked samples were cut by an electric masonry saw with one-half of the core placed in a labelled sample bag with a double assay ticket. The second half of the core was returned to the core box for storage. HQ core was used where possible to maximise sample size and core recovery.

All holes were geologically logged with lithology, textures, colour, grain size and alteration/mineralisation recorded. RC samples were collected for each 2m interval and split on site using a riffle splitter with sufficient passes to provide samples of 4 – 6 kg for analyses.

The mineralisation is generally reasonably coarse grained (>1mm) and consistent across sample intervals. In addition, silica and sulphide species are reasonably coarse grained and Al rich minerals are soft/friable, therefore industry standard sampling and splitting combined with the standard laboratory sample preparation techniques adopted were adequate to ensure representivity. Subsequent sample preparation was carried out by ALS Chemex using their standard preparation techniques for iron ore analysis; which involves crushing, pulverising then sub-sampling and further pulverisation to the required grain-size.

Resource Classification

Given the strong continuity of the deposit and consistency of grade, the minimum classification for the Opaban 1 mineralisation is an Inferred Resource. For zones where drilling is on 100 by 100 metre spacings, the ore zones are continuous and adjacent ore blocks have a slope of regression (Z/Z*) of greater than 0.75, the resource has been classified as Indicated. This classification takes into account the quality and density of the data and the geological model and reflects the Competent Person's view of the geological confidence for the deposit and the location and quality of drilling and sampling information.

The Opaban 3 deposit exhibits similar characteristics to Opaban 1, albeit on a smaller scale. In particular, the geological and grade continuity is strong and the deposit has been drilled on 100 metres line spacings. Accordingly, the entire Opaban 3 deposit has been classified as an Indicated Resource.

Sample analysis method

All samples were analysed using the XRF methodology for a full suite of key elements including Fe, Fe, Si, Al, P, Mn, Mg and Ca; with AAS used to determine Cu and IR to determine S. Loss on Ignition (LOI) was determined at temperatures up to 1000 degrees C. Appropriate methods were employed to monitor variation in the Fe grade, as well as key contaminant elements both for initial sampling and sample preparation at site and during laboratory sample preparation and analysis. Graphical analyses of the checks show reasonable precision and the internal standards return an average grade within the expected range.

Estimation methodology

The mineralisation extents at Opaban 1 were defined using the geological logging and geophysical data as macro guides and a 50% Fe lower cut to produce the wireframe of the deposit. The lower cut was based on statistical analysis of the iron grades of the mineralisation types. Within the wireframe, domains for the major mineralisation types were defined using the geological logging.

Samples were composited to 4 metres to enable consistency between the drilling programs and reflect the practical minimum mining block size, given an assumed size of an eventual mining operation (>10Mtpa of product production).

The Ordinary Kriging method was used to estimate average block grades of Fe, SiO_2, Al_2O_3, P, S and LOI.

The model was validated visually and statistically using swath plots and comparison to sample statistics.

Cut-off grades

A 50% Fe cut-off grade was used for the Inferred and Indicated Mineral Resources. This grade was selected based on a statistical analysis of the raw data for the mineralisation and the intention to capitalise on the high *in-situ* Fe grade for a magnetite deposit to ensure the process plant size is kept to a minimum by maximising mass recovery.

Mining methods and parameters

It is assumed that mining is likely to be undertaken using open pit techniques as the deposits come to surface and are relatively flat lying. Subsequent Scoping and Optimisation Studies undertaken by SKM and Ausenco respectively indicated that the project would need to produce at least 10Mtpa of product (and preferably 20Mtpa) to be economically viable[1]. Producing 20Mtpa of product would require mining 27Mtpa of ore at a strip ratio of <2:1 to produce 20Mtpa of magnetite concentrate grading >66% Fe, with the intention of transporting it to the coast as a slurry for dewatering and shipping to Asian customers. No other mining, dilution or ore-loss assumptions have been made.

Metallurgical methods and parameters

Davis Tube and related testwork studies have been completed for the Opaban 1 deposit. The testwork included an assessment for production of traditional lump and fines products for high-grade (>60% Fe) material and production of a concentrate using magnetic separation techniques (predominantly low magnetic intensity separation (LIMS) on magnetite-rich mineralisation.

The results of lump and fines crushing and screening tests for high-grade material showed 85 – 95% of product reporting as lump (average 88%) and an attractive lump product (all samples above > 63% Fe, with 7 of 8 samples > 65% Fe) with low Si, Al, P and S and, in all but one case, a marketable fines product.

Ten mixed-grade (40 – 65% Fe) magnetite composites were also tested, with an average of 66% reporting as lump, although results were more variable than for the high-grade samples. Only samples with a head grade of > 55% Fe produced suitable lump products, while the fines products tended to contain relatively high Si and Al contents.

Initial samples tested using Davis Tube (DTR) testwork recorded excellent mass recoveries (>80%) and high-grade (~68% Fe) product, although these samples all had high head grades (>62% Fe). Subsequent DTR testwork was undertaken on a range of representative magnetite ore samples with head grades of 40 – 65% Fe. These results confirmed the earlier DTR results and demonstrated that a suitable concentrate (>63% Fe and generally >66% Fe) could be produced for samples with a head grade of >45% Fe.

As the magnetite is relatively coarse grained, DTR tests were undertaken at 75, 250 and 500 micron grind sizes. The results indicated a similar quality concentrate can be produced at the coarser (500 micron) grind size, and perhaps at even coarser sizes.

While further testwork is needed as part of an infill drilling program the current results provide a good confidence level that the Opaban deposits can produce a good-quality, marketable concentrate using current magnetic separation (predominantly LIMS) processing. For the more than 60Mt of resource grading above 61% Fe it is likely that good-quality lump and fines products could be produced using simple crushing and screening methods.

-ENDS-

For further information, please contact:

William Johnson	David Palumbo
Managing Director	Company Secretary
Strike Resources	Strike Resources
Tel: +(61) 8 94810389	Tel: +(61) 8 94810389
wjohnson@strikeresources.com.au	david@miningcorporate.com.au

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[1] The Company does not forecast that any mine at the Apurimac Project would achieve the assumed production rates used in the Scoping and Optimisation Studies. Further studies would be required to project the achievable production rate from any mining operation that may be commenced at the Apurimac Project.

APPENDIX A - JORC 2012 TABLE 1

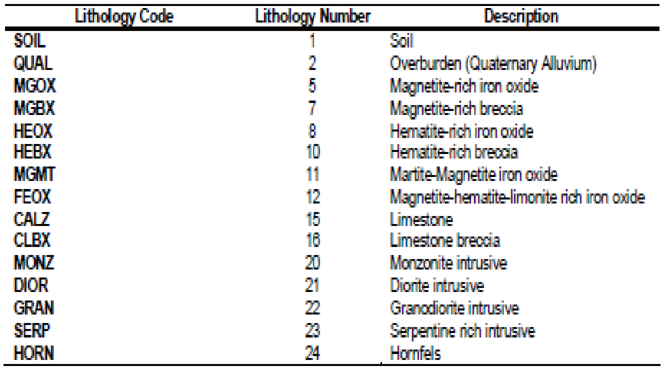
Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	○ *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* ○ *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* ○ *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* At Opaban 1 a total of 3497 samples, average length 2.08 m, were submitted to the laboratories for analysis. These comprise 1141 half diamond core samples with an average length of 2.17m and 2356 RC samples of 2.04m average length. At Opaban 3 a total of 706 half diamond core samples of an average length of 1.56m were analysed. All holes were geologically logged with lithology, textures, colour, grain size and alteration/mineralisation recorded. RC samples were routinely taken over 2m intervals apart from zones of massive limestone where samples were composited up to 10m. Diamond core was logged in detail for texture, structure and the nature of the iron mineralisation (magnetite, haematite, goethite or mixture) and sulphides. Sample intervals were selected based on lithotype with a maximum interval of 2m for mineralised zones, however sample intervals for barren lithologies may be up to 10m. Core cutting was undertaken at suitable facilities in Andahuaylas or Lima. RC samples were collected for each 2m interval and split using a riffle splitter with sufficient passes to provide samples of 4 – 6 kg for analyses. The remainder of the sample was retained in bags as reference samples. All works were supervised by suitably qualified and experienced geologists, either AF staff or recognised consulting groups.
Drilling techniques	○ *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).* Drilling at Opaban 1 was completed in 3 programs using HQ sized diamond and face sampling reverse circulation (RC) drilling techniques. 1564.7 metres of diamond drilling in 15 holes and 929.45 metres of diamond drilling in 10 holes were completed by Boart Longyear in 2005 and 2007 respectively. 40 RC drill holes totalling 4820 metres were completed by AK Drilling in 2006. At Opaban 3 1102.85 metres of HQ and NQ sized diamond drilling was completed in 2005 by Boart Longyear. HQ drilling was undertaken where possible with NQ only used when drilling difficulties were encountered.

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Drill sample recovery</td><td>
○ Method of recording and assessing core and chip sample recoveries and results assessed.
○ Measures taken to maximise sample recovery and ensure representative nature of the samples.
○ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

Each core tray composite length was recorded and compared with the length of the drilled interval for the tray to determine the core recovery. HQ core was used where possible to maximise core volume and sample recovery. Sample recovery was consistently >90%. Some loss of fines was evident in “wet” RC samples though this is not quantifiable as sample recoveries were not recorded. Some bias may have occurred due to the concentration of Al bearing minerals in particular in fines but no evidence of bias is apparent in the data base and comparison of RC and diamond drilling data, although no twinned holes have been undertaken as yet.
</td></tr>
<tr><td>Logging</td><td>
○ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
○ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.
○ The total length and percentage of the relevant intersections logged.

The entire core length was geologically logged and recorded into a data base. The geology is logged with descriptions of geological features such as rock type, mineralisation style, grain size, core quality (e.g. if fractured, etc.), form of the iron mineralisation and presence of sulphides. Six (6) mineralisation types were identified and logged based primarily on mineral composition and texture. Host units were also logged being mainly intrusives and limestone. The lithologies identified at Opaban 1 and 3 are summarised in the table below.


<table>
<tr><th>Lithology Code</th><th>Lithology Number</th><th>Description</th></tr>
<tr><td>SOIL</td><td>1</td><td>Soil</td></tr>
<tr><td>QUAL</td><td>2</td><td>Overburden (Quaternary Alluvium)</td></tr>
<tr><td>MGOX</td><td>5</td><td>Magnetite-rich iron oxide</td></tr>
<tr><td>MGBX</td><td>7</td><td>Magnetite-rich breccia</td></tr>
<tr><td>HEOX</td><td>8</td><td>Hematite-rich iron oxide</td></tr>
<tr><td>HEBX</td><td>10</td><td>Hematite-rich breccia</td></tr>
<tr><td>MGMT</td><td>11</td><td>Martite-Magnetite iron oxide</td></tr>
<tr><td>FEOX</td><td>12</td><td>Magnetite-hematite-limonite rich iron oxide</td></tr>
<tr><td>CALZ</td><td>15</td><td>Limestone</td></tr>
<tr><td>CLBX</td><td>16</td><td>Limestone breccia</td></tr>
<tr><td>MONZ</td><td>20</td><td>Monzonite intrusive</td></tr>
<tr><td>DIOR</td><td>21</td><td>Diorite intrusive</td></tr>
<tr><td>GRAN</td><td>22</td><td>Granodiorite intrusive</td></tr>
<tr><td>SERP</td><td>23</td><td>Serpentine rich intrusive</td></tr>
<tr><td>HORN</td><td>24</td><td>Hornfels</td></tr>
</table>
Preliminary geotechnical logging was undertaken including RQD and core recovery. Sample intervals were marked on the core for sampling and all core was photographed prior to leaving the project site and the photographs were stored as part of the database.

The logging is adequate to support the resource estimate as well as the metallurgical and mining studies undertaken as part of the Pre-feasibility Study completed by SKM in 2009 and Optimisation Study by Ausenco in 2010.
</td></tr>
</table>

Criteria	Explanation
Sub-sampling techniques and sample preparation	0 *If core, whether cut or sawn and whether quarter, half or all core taken.* 0 *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* 0 *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* 0 *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* 0 *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* 0 *Whether sample sizes are appropriate to the grain size of the material being sampled.* Marked samples were cut by an electric masonry saw with one-half of the core placed into a labelled sample bag with a double assay ticket. The second half of the core was returned to the core box for storage. HQ core was used where possible to maximise the sample size and core recovery. RC samples from the drilling rig were collected in polythene sample bags and split on site using a riffle splitter to provide a sample of 4 – 6kg for analysis. The remainder of the sample was retained in sealed bags for future reference. The mineralisation is generally reasonably coarse grained (>1mm) and consistent across a sample intervals. In addition silica and sulphide species are reasonably coarse grained and Al rich minerals are soft/friable therefore the industry standard sampling and splitting combined with standard laboratory sample preparation techniques which were adopted were adequate to ensure representivity. Subsequent sample preparation is carried out by the analytical laboratory (ALS Chemex) using their standard preparation techniques for iron ore analysis which involves crushing, pulverising to then sub-sampling and further pulverisation to the required grain-size (nominally 80% -75 microns) for analysis.
Quality of assay data and laboratory tests	0 *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* 0 *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times,* *calibrations factors applied and their derivation, etc.* 0 *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias)* *and precision have been established.* All samples were analysed using the XRF methodology for a full suite of key elements including Fe, Fe, Si, Al, P, Mn, Mg, Ca with AAS used to determine Cu and IR for S. Loss on Ignition (LOI) was determined at temperatures up to 1000 degrees C. These methodologies meet current industry practice for iron ore deposits of this type. Several methods were employed to monitor variation in the Fe grade as well as key contaminant elements both for initial sampling and sample preparation at site and during laboratory sample preparation and analysis. These included internal checks at the respective laboratories, external checks of testing each laboratory at the other laboratory, use of standards and duplicates at the laboratories and use of twin and blank samples inserted at site. Graphical analyses of the checks show reasonable precision and the internal standards return an average grade within the expected range although the standard used for the 2005 program is considered sub-optimal due to low in Fe grade (34% Fe).

Criteria	Explanation
Verification of sampling and assaying	○ *The verification of significant intersections by either independent or alternative company personnel.* ○ *The use of twinned holes.* ○ *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* ○ *Discuss any adjustment to assay data.* All logging and sample intervals were verified by the senior site geologist for each drilling program. The drilling programs at Opaban to date have been an initial test of the size and grade of the deposits and no drill holes were twinned though twinning of selected RC holes is planned as part of future programs. The logging data was directly entered at the core logging facility for each program onto a hand held or laptop device. Following field validation of the logs the data was downloaded to the company server and transferred to the Company data base at its Lima office. Analytical data subsequently merged with the geological logs and then the ore intercepts were validated by either checking core directly or core using the photography. The combined data base is stored on the AF server in a secure area and a regular data back-up process is in place. The resource estimate uses the raw data with no adjustment though there is evidence the XRF6 method used in 2005 under-estimated Fe grade by 1 – 2% Fe absolute.
Location of data points	○ *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* ○ *Specification of the grid system used.* ○ *Quality and adequacy of topographic control.* A wire framed topography surface was generated using topography map prepared from the surveyed gravity base station locations across Opaban prospects. The surveyed drill hole collars gathered using a hand-held GPS device were then translated onto this surface with correlations being good, generally to within +/-0.5m. Due to the strong magnetic field hole azimuths were determined using line of site along grid lines confirmed using a hand-held GPS. The differences between the collars and the topography are unlikely to have a material impact on the resource tonnage. No down-hole surveys were completed due to the strong magnetic field and dominantly vertical drilling. Given the drill holes are generally <150 metres deep and the ground conditions any hole deviations are unlikely to have a material impact on the resource.

Criteria	**Explanation**
Data spacing and distribution	○ *Data spacing for reporting of Exploration Results.* ○ *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* ○ *Whether sample compositing has been applied.* Drilling has been conducted at a nominal 100 m line spacing with nominal 100 m spacing on-section though this was irregular in some areas due to topographic and access constraints. Down-hole samples were at 1m intervals for RC drilling except for broad zones of barren limestone where composites up to 10m were taken. For diamond drilling a 1m interval was used generally though intervals were adjusted to correspond with lithology and mineralisation boundaries. The mineralisation geometry and grade continuity is good in general, especially along strike but uncertainty exists in regard to continuity in some areas due to faulting and other controls which has made the shape of the deposit irregular in some areas. Iron grades tend to be higher near surface where weathering has altered the primary magnetite to haematite. The resource classification reflects this uncertainty. Samples have been composited to 4 m for grade estimation.
Orientation of data in relation to geological structure	○ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ○ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* Drill holes at Opaban 1 & 3 are predominantly vertical with some angled holes, generally at 60 degrees declination. The mineralisation is generally flat lying with some possible steeper dipping root zones hence most holes perpendicular to, or at a high angle to, the bulk of the mineralisation. Practical access considerations were the key reasons for angled holes and drilling two or more holes from the same drill pad.
Sample security	○ *The measures taken to ensure sample security.* Sample continuity was ensured between drilling and analysis through ownership of core transport, logging and sampling by the Apurimac Ferrum (AF) geological team. Core trays were carefully stacked and secured through the use of good quality trays, strong strapping on the vehicle and careful driving procedures to ensure no spillages during transport. The core is stored is secure warehouse facilities operated by AF. Laboratory samples were clearly labelled and stored in strong sample bags which were then placed in labelled boxes for transport to the laboratory by reputable transport companies.

Criteria	Explanation
Audits or reviews	○ *The results of any audits or reviews of sampling techniques and data.* All site activities from drilling to logging, sampling and analysis completed in 2005 and 2006 were reviewed by Snowden Mining who assessed the majority of procedures as consistent with current industry standards. Key areas to be addressed were; • Core samples from 2005 recorded lower Fe (~2% absolute) than the RC drilling of 2006. Strike's position that this was due to differing analytical techniques was confirmed through re-assay of the 2005 samples though the lack of standards in the re-assay program led to a qualified position by Snowden. • Correlation between RC and core samples seems good though additional twinned drill holes should be undertaken to confirm this relationship. To date drill twinning has not been undertaken due to access restrictions but given the apparent good correlation and resource categories (dominantly Inferred) this is not considered a material issue for the current resource. • No field duplicates were undertaken in the 2006 RC program. All future RC programs should include field duplicates. • While correlation between RC and diamond drilling seems good Snowden recommended that diamond drilling is used once RC samples become damp or wet. • Snowden undertook a statistical analysis of the mineralised core and recommended the comminution testwork samples reflect the grade ranges for each unit in terms of Fe, Si, Al and P content. • A full suite of QA/QC procedures be instigated for future drilling programs. All recommendations apart from the twinning were undertaken following the Snowden report. SRK Consulting in their 2010 resource report noted that the data was of adequate standard for Inferred and Indicated resources however, to achieve Measured resources the following items need to be addressed; • The density used was provided by Strike and further density data is required for all lithologies and the full grade range of mineralisation. • Further geological interpretation including for internal breccia zones and limestone contacts. • Improved documentation of sampling and analytical processes. No further geological field work has been undertaken at Opaban since 2008 due to access constraints, however all recommendations will be addressed for future exploration programs.

Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	○ *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* ○ *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* The section is based on information provided by Stephen Gethin of Premier legal, a legal consultant to, but not employed by, Strike Resources Limited. The Competent Person Mr Ken Hellsten has no independent knowledge of the matters in this section and does not take responsibility for those matters. Opaban 1 is a Peruvian Mining Right (Derecho Minero) with Code (Codigo) 05-006349X01 granted on 16 December 1994; and held by Apurimac Ferrum S.A.C., a Peruvian company which is a 100%-owned subsidiary of Strike Resources Limited. It has an area of 999 ha and is located in the Department of Apurimac. The biennial validity fee levied on 30 June 2013 has been paid. Opaban 3 is a Peruvian Mining Right (Derecho Minero) with Code (Codigo) 05-006351X01 granted on 16 December 1994; held by Apurimac Ferrum S.A.C.. It has an area of 990 ha and is located in the Department of Apurimac. The biennial validity fee levied on 30 June 2013 has been paid. There are no known agreements with third parties affecting the Opaban 1 and Opaban 3 tenements, including joint ventures or partnerships, other than the agreements under which the royalties and milestone payments referred to below are payable. Prior to 31 December 2012 Apurimac Ferrum had local shareholders, but it became 100% owned by Strike through an agreement signed and implemented at that time. As part of that agreement two of Strike's previous partners are entitled to a 1% net profit royalty on iron ore production and a 2% NSR royalty on base and precious metal production from these Mining Rights (in both cases, between them – not each). Strike may buy out the royalties for a payment determined on a sliding scale, depending on when any buy-out occurs. Those two former AF shareholders are also entitled to payments totalling US$10 million from AF if certain milestones along the path to developing a mining project on these tenements are met. Opaban 1 is predominantly located on lands belonging to the Huinchos indigenous communities, A formal access agreement was in place between the community and AF to complete environmental and other works required for exploration including drilling, prior to the Company's decision to suspend operations in Peru. There are no known freehold landowners on Opaban 1. Opaban 3 lies on lands belonging to the Huancabamba indigenous communities. Constructive formal discussions were underway to achieve an agreement for access to complete environmental and other works required for exploration including drilling prior to the Company's decision to suspend operations in Peru. There are no known freehold landowners.

Criteria	Explanation
Mineral tenement and land tenure status (cont.)	There are no known historical sites on the tenements or any national parks affecting it. The holder of a Mining Right under Peruvian law has an expectation that it will be granted permission to mine provided that it complies with environmental law and obtains necessary water rights and the approval of the local community landholders and any freehold landowners. A cemetery is present within the resource area though community relations personnel are confident approval for its relocation would be achieved as part of a broader mining agreement with the community. Millenium Trading S.A.C. (**Millenium**), a party that formerly had an interest in the tenements, raised a dispute about whether an agreement under which it relinquished its interests in those tenements was valid. The agreement included a term that AF and Millenium, or Millenium's appointee, would negotiate in good faith an agreement for Millenium or its appointee to carry out an iron ore mining operation in one of AF's concessions, to be determined by further agreement, for a maximum quantity of 400,000 tons per annum over a maximum term of ten years (**Small-Scale Operation**). The agreement also provided that if the identity of that concession was not agreed within 3 months, that question would be resolved by arbitration. Millenium purported to assign its rights under the agreement to Minera Apu S.A.C. (Apu), a company associated with Millenium. Strike commenced arbitration to pre-empt claims by Millennium and Apu that the agreement itself was invalid and to determine the identity of the concession on which the Small-Scale Operation could be conducted. In April 2014 the arbitrator determined that the agreement was valid and that the Small-Scale Operation could be conducted on the Sillaccassa 1 and Sillaccassa 2 concessions. In September 2014 Apu challenged the arbitrator's decision in court. Apu and an associated individual ("Claimants") have also brought 38 proceedings that seek to annul certain administrative decisions made by the Ministry of Energy and Mines ("MEM") and the Mining Cadastre Office ("INGEMMET") concerning certain applications for the granting of title to mining concessions that were made by the Claimants, but were rejected due to the claims overlapping areas covered by pre-existing concessions held by AF and third parties. These procedures seek to annul the administrative decisions and would, if successful, impair or annul the title to certain concessions held by AF. Strike considers, based on external advice, that there is no merit in any of the above proceedings. AF is actively opposing all Millenium and Apu's claims. Consistently with its ASX announcement of 14 April 2014: "Exit From Peru", the Company is not conducting exploration activities in relation to the properties the subject of this report at this time.
Exploration by other parties	○ *Acknowledgment and appraisal of exploration by other parties.* There has been no significant previous work at this prospect by other parties.

Criteria	Explanation
Geology	0 *Deposit type, geological setting and style of mineralisation.* The Opaban deposit is an iron skarn which lies within the Andahuaylas – Yauri skarn/porphyry Belt. The property geology comprises Cretaceous age limestones of the Ferrobamba Formation and intermediate to felsic intrusive rocks of the Apurimac batholith. The primary mineralisation is dominated by magnetite, generally medium to course grained. The 4 main mineralisation types are massive magnetite (MGOX), magnetite breccia (MGBX), hematite dominated (HEOX) and mixed magnetite, hematite and limonite (FEOX) with minor hematite breccia (HEBX) also identified. The surface expression is generally massive ironstones comprised predominantly of hematite and goethite which result from the weathering of the magnetite. Based on the outcrop patterns and drilling data the mineralisation is predominantly flat-lying though the breccia zones may well be more steeply dipping structures as the contain variable amounts of the underlying (diorite) batholith.
Drill hole Information	0 *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ▪ *easting and northing of the drill hole collar* ▪ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ▪ *dip and azimuth of the hole* ▪ *down hole length and interception depth* ▪ *hole length.* 0 *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* Lists of drill holes drilled at Opaban 1 and Opaban 3 are provided in Appendix B. All drill hole data has been included in the resource estimate.
Data aggregation methods	0 *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* 0 *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* 0 *The assumptions used for any reporting of metal equivalent values should be clearly stated.* No high cuts have been applied to the raw data. This is appropriate given the nature of the iron ore deposit although a high cut may be applicable for sulphur once more data is available. Data weighting averaging techniques, lower cuts and the treatment of aggregated intercepts are covered in Estimating and Modelling Techniques in Section 3 of this table.

Criteria	Explanation
Relationship between mineralisation widths and intercept lengths	○ *These relationships are particularly important in the reporting of Exploration Results.* ○ *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* ○ *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* These elements are covered in Section 3 of this table.
Diagrams	○ *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* Covered in Section 3 of this table.
Balanced reporting	○ *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* Exploration results have been reported in the context of the Opaban resource estimate, SRK Pre-feasibility Study and the regional exploration data base of AF.
Other substantive exploration data	○ *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* All available valid exploration data has been utilised for both the resource estimate and exploration reporting for the Opaban project. Where necessary qualifications have been placed on data, especially historic information where limited records are available.
Further work	○ *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* ○ *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* The Opaban 1 and 3 deposits remain open along strike (north and south) and down dip to the west. The next stage of drilling will test these potential extensions and infill in areas where material tonnages rely on one or two drill holes. Further study work will be dependent on identifying sufficient tonnage potential to support an operation of at least 20 years mine life at 10Mtpa of product or greater.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	○ *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* ○ *Data validation procedures used.* The data is collected using field computers and checked daily then transferred regularly (generally daily) to the exploration office where it is downloaded and stored in the formal data base. A range of checks are run by the Database Administrator including both routines (checking for numbering or logging errors, hole locations and details etc) and manual review of the drill logs. When received the analytical data is merged with the data base using sample numbers then further checks are run to ensure integrity of the data. These include cross checking of the assay data with the logging and magnetic data as well as running a suite of routines to ensure a robust and valid data base for each drilling program. As part of the resource estimate process a further validation process is undertaken by the independent consultant or group completing the resource estimate. In the case of Opaban 1 this was completed by Snowden and SRK Consulting in 2008 and 2010 respectively and for Opaban 3 Snowden in 2008. In each case when issues or uncertainties were detected these were discussed between the client and consultant and corrective actions taken. No data was excluded from the resource estimate.
Site visits	○ *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* ○ *If no site visits have been undertaken indicate why this is the case.* The Competent Person joined the company after the drilling programs were completed at Opaban but has been to site and viewed the drill core and other samples from the drilling programs. At this time selective checking of core logging was undertaken and was found to be of a suitable standard with all key material types and key structural data collected for an exploration drilling program. A field inspection of the site was only available remotely (from a vehicle) due to access restrictions from the community but given the size and style of the deposit sufficient understanding of the deposit geometry and location was captured for the current resources and the exploration potential.

Criteria	Explanation
Geological interpretation	○ *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* ○ *Nature of the data used and of any assumptions made.* ○ *The effect, if any, of alternative interpretations on Mineral Resource estimation.* ○ *The use of geology in guiding and controlling Mineral Resource estimation.* ○ *The factors affecting continuity both of grade and geology.* AF supplied 20 drilling cross-sections with mineralisation interpretation and analytical data for Opaban 1 and 8 sections for Opaban 3. The cross-sectional interpretations of the mineralisation domain were digitised based on these sections. The drill section interpretations were prepared using the drill hole logging data, surface geological mapping with cross-checking against the analytical, gravity and magnetic data. There is an excellent correlation between the logged mineralisation and the zones of high Fe content and strong magnetic and gravity responses which is not surprising given the distinctive visual and magnetic nature of the ore. The contacts with barren host rocks (limestone and diorite) are generally quite sharp apart from some breccia zones in diorite where some gradational boundaries are present. The mineralisation is generally flat-lying, following the distribution of the favourable limestone units although there is evidence of steeply dipping structures, mainly towards the base of the mineralised system. Given the majority of the drilling is vertical it is difficult to define these steeper dipping zones and hence the resource outline has been defined by the analytical data with gross control provided by the logging. The strong correlation between logging and analytical data and the clear visual nature of the ore provides a high level of confidence in the overall geometry of the resource. Although in places the detailed boundaries (especially at depth) may be somewhat uncertain a relatively conservative approach has been taken to defining the resource boundaries and the uncertainty level is very small compared with the size of the deposit, especially for Opaban 1.

Criteria	Explanation
Dimensions	○ *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* The Opaban 1 resource has the following extents: ○ Along strike (north-south) = 2500 m ○ Down-dip (east-west) = 100 m to 500 m ○ Thickness = 20 m to 150 m The Opaban 1 resource is continuous along strike although there is pinching and swelling with the average east west extent being approximately 250 metres and the average thickness of approximately 100 metres. In the southern portion of the resource the east west dimension reaches up to 500 metres and 150 metres true thickness. It remains open to the north and south although the geophysical signature indicates it is thinning or off-set and there is limited further strike potential. The deposit is relatively flat lying although there is evidence of a shallow to modest dip to the west based on drill sections and geophysical data and accordingly it remains open to the west, down dip. The resource crops out at surface and generally extends to depths of approximately 100 metres though this varies somewhat along the resource with the thickest (and widest) portions generally being in the south. Opaban 3 has extents of 300 metres along strike, 50 though there is pinching and swelling with the average east west dimensions of approximately 300 m by 100m by 75m. It is continuous along strike, generally flat lying and crops out at surface. Based on the drilling and geophysical data it is continuous but has limited potential to be extended with further drilling.
Estimation and modelling techniques	○ *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* ○ *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* ○ *The assumptions made regarding recovery of by-products.* ○ *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* ○ *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* ○ *Any assumptions behind modelling of selective mining units.* ○ *Any assumptions about correlation between variables.* ○ *Description of how the geological interpretation was used to control the resource estimates.* ○ *Discussion of basis for using or not using grade cutting or capping.* ○ *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* The mineralisation extents at Opaban 1 were defined by SRK Consulting using the geological logging and geophysical data as macro guides and a 50% Fe lower cut to produce the wireframe of the deposit. The lower cut was based on statistical analysis of the iron grades of the mineralisation types and the ensuring the capital intensive processing plant is appropriately sized to produce a high quality product at the lowest practical cost. Within the wireframe domains for the major mineralisation types were defined using the geological logging.

Criteria	Explanation
Estimation and modelling techniques (cont.)	Samples were composited to 4 metres to enable consistency between the drilling programs and reflect the practical minimum mining block size given the likely size of the mining operation (>10Mtpa of ore production). The block size is 50 m (X) by 50 m (Y) by 10 m (Z). This is one quarter to one half of the drill hole spacing in the Y direction and approximately half the drill hole spacing in the X direction. Statistical analysis of the analytical data within the mineralised domains showed very strong negative correlations between Fe and both Si and Al, strong correlations between Si and Al, moderate correlations between P with Fe, Si and Al. There was very low or no correlation of S and LOI with other analyses. Variographic analysis was undertaken for Fe, Si, Al, P, S and LOI and used to determine the geometry and dimensions of the search ellipsoids for grade estimations. Ordinary Kriging method was used to estimate average block grades of Fe, SiO2, Al2O3, P, S and LOI. Each element was estimated using separate kriging runs using the variogram analysis for that element but the same search ellipsoid parameters of 400m (N-S) by 400m (E-W) by 35m (vertical). The minimum sample number for estimation was set at 2, with 6 sectors and a maximum of 4 samples per sector. A top cut of 0.7% was applied to S grades for samples >100m from the block centre based on statistical analysis of the raw data. No top cut was applied for Fe. At Opaban 1 a top cut was applied to S of 0.7% where the sample was >100m from other data points. At Opaban 3 top cuts based on statistical analysis were applied to Al (10%), Si (30%), P (0.2%) and S (0.5%) by Snowden. The model was validated visually and statistically using swath plots and comparison to sample statistics. The result of the validation shows that the interpolation has performed as expected and the model is a reasonable representation of the data used and the estimation method applied. Further comfort in the results was provided when trends established in the raw data and geological work were confirmed in the appraisal of the resource model. These include increasing Fe grade and lower Si and Al grades towards the south, increased Fe grade near surface, increasing S grade north of 8485050N and at depth. The same overall approach was taken by Snowden Mining Consultants to prepare the resource model for Opaban 3 although the parameters were modified as required to reflect the data and smaller size of this deposit.
Moisture	○ *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* The tonnages were reported using bulk densities undertaken on the drill core for a range of mineralised and host rock samples and as such reflect the tonnages with natural moisture. Moisture is the major component of the LOI analysis undertaken on samples and is generally relatively low being 2 – 3% which is normal for magnetite deposits.
Cut-off parameters	○ *The basis of the adopted cut-off grade(s) or quality parameters applied.* A 50% Fe cut-off grade was used for the Mineral Resource. This cut-off grade was selected based on a statistical analysis of the raw data for the mineralisation and the intention to capitalise on the high in-situ Fe grade for a magnetite deposit to ensure the process plant size is kept to a minimum by maximising mass recovery. Mass recovery is closely associated with ore feed grade and hence higher raw grade provides higher mass recovery to product.

Criteria	**Explanation**
Mining factors or assumptions	○ *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* For the purposes of the Opaban 1 and 3 estimates, it is assumed that mining is likely to be undertaken using open pit techniques as the deposits come to surface and are relatively flat lying. Subsequent Scoping and Optimisation Studies undertaken by SKM and Ausenco respectively indicated that a project producing at least 10Mtpa of product (and preferably 20Mtpa) could be economically attractive. The project involved mining of 27Mtpa of ore at a strip ratio of <2:1 to produce 20Mtpa of magnetite concentrate grading >66% Fe which would be transported to the coast as a slurry for dewatering and transport to Asian customers. No other mining, dilution or ore loss assumptions have been made.
Metallurgical factors or assumptions	○ *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* As part of the SKM and Ausenco studies Davis Tube and related testwork studies have been completed for the Opaban 1 deposit and subsequently by Strike Resources. The testwork includes assessment for production of traditional lump and fines products for high grade (>60% Fe) material and production of a concentrate using magnetic separation techniques (predominantly low magnetic intensity separation (LIMS) on magnetite rich mineralisation. The programs were conducted by CSIRO, ALS and Transmin, a metallurgical laboratory in Lima with checks by ALS. The lump and fines crushing and screening tests involved 2 sample types. Eight(8) representative high grade (mainly hematite rich material from shallow depths) composite samples from Opaban 1 and 3 crushed to -30mm and screened at 6.3mm. The results indicated a 85 – 95% of product reporting as lump (average 88%) and an attractive lump product (all >63% Fe with 7 of 8 >65% Fe) with low Si, Al, P and S and in all but one case a marketable fines product. 10 mixed grade (40 – 65% Fe) magnetite composites were also tested with an average of 66% reporting as lump though results were far more variable. In both cases Si and Al tended to report preferentially to the fines fraction though only samples with a head grade of >55% Fe produced suitable lump products while the fines products tended to contain relatively high Si and Al contents. As the magnetite material is most likely to be treated through a magnetic separation process future testwork for lump/fines will focus on the high grade hematite ores and include lump degradation tests.

Criteria	Explanation
Metallurgical factors or assumptions (cont.)	Initial samples tested using Davis Tube (DTR) testwork recorded excellent mass recoveries (>80%) and high grade (~68% Fe) product though these samples all had high head grades (>62% Fe). Subsequent DTR testwork was undertaken on a range of representative magnetite ore samples with head grades of 40 – 65% Fe. These results confirmed the earlier DTR results and demonstrated that a suitable concentrate (>63% Fe and generally >66% Fe) could be produced for samples with a head grade of >45% Fe. As approximately 3% of the resource contains relatively high sulphur contents (1.45% S) a suite of representative samples were submitted for DTR tests. The results demonstrated this material generally provided better and more consistent Fe recoveries and grades and rejection of Si and Al than the low sulphur samples. This is interpreted to be due to the fresher nature of the magnetite in the high S samples which are generally deeper in the resource. While S levels in the concentrate were slightly lower than head sample values tended to be greater 1% S. Given the low proportion of this material it is expected sulphur can be maintained at acceptable levels through blending and/or exclusion of the high sulphur materials. As the magnetite is relatively coarse grained DTR tests were undertaken at 75, 250 and 500 micron grind sizes. The results indicate a similar quality concentrate can be produced at the coarser (500 micron) grind size and perhaps at even coarser sizes. While further testwork is needed as part of an infill drilling program the current results provide a good confidence level that the Opaban deposits can produce a good quality marketable concentrate using current magnetic separation (predominantly LIMS) processing. For the more than 60Mt of resource grading >61% Fe it is likely good quality lump and fines products could be produced using simple crushing and screening methods.
Environmental factors or assumptions	○ *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* The topography and environment at Opaban is relatively benign for the Peruvian Andes with modestly undulating country and no major water courses present. Based on experience from nearby projects and operations there are no obvious "fatal" issues for the development of an open pit operation at Opaban 1 and 3 and suitable sites have been identified for mining waste and tailings storage adjacent to the mining and processing facilities respectively. The SKM study identified the need to relocate part of the existing runway for the Andahuaylas airport for mining and waste storage. Initial work by SKM identified a solution of extending the exiting runway to the south. This would require both local government and community approval for an operation which is considered likely should a viable operation be demonstrated as the region is poor relatively to other districts of Peru and has expressed a keenness to develop long life mining operations such as iron ore due to the economic and infrastructure benefits.

Criteria	Explanation
Bulk density	○ *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements,* *the nature, size and representativeness of the samples.* ○ *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences* *between rock and alteration zones within the deposit.* ○ *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* Bulk density determinations using the weight in air/water method were undertaken by AMEC on 38 representative samples of drill core from Opaban 1. Samples of the key ore and host rock types were taken (17 magnetite, 14 hematite and 1 surficial ironstone) with the remainder being host diorite and limestone. The HQ whole core samples were sealed using wax then weighed in air and water and hence the impact of vughs has been largely taken into account. The results provided the following average densities; Hematite (HEOX) 4.04t/m^3, magnetite (MGOX) 4.00t/m^3 and diorite 2.74t/m^3 and limestone 2.71t/m^3. These figures were checked using results from similar deposits in the region and applying recognised formula relating the bulk density to Fe grade. Commonly iron ore deposits exhibit a positive relationship between Fe content and the bulk density and this was confirmed for Opaban although the relationship provides only reasonable correlations ($r^2 \sim 0.6$). The formula methodology provides an average density for Opaban of 4.28 based on an average grade of 57% Fe. AF provided density estimates for the resources by SRK Consulting and Snowden of 4t/m^3 for ore and 2.7t/m^3 for host rocks. Given the limited number of samples it was not considered appropriate to utilize the Fe content to density for the resource estimate at this time. While the bulk density data is considered sufficient for the current (largely Inferred) resource estimate significant additional bulk density determinations will be required during the next phase of drilling. At this time sufficient samples from each of the ore type will be required to ensure a good level of confidence in the average bulk density as well as any potential relationship between density and Fe grade.

Criteria	**Explanation**
Classification	○ *The basis for the classification of the Mineral Resources into varying confidence categories.* ○ *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* ○ *Whether the result appropriately reflects the Competent Person's view of the deposit.* ○ *The classification of Mineral Resources was completed based on the geological confidence* criteria, drill spacing and quality of drilling and sampling information. Given the strong continuity of the deposit and consistency of grade the minimum classification for the Opaban 1 resource is Inferred Resource. For zones where drilling is on 100 metre by 100 metre spacings, the ore zones are continuous and adjacent ore blocks have a slope of regression (Z/Z*) of greater than 0.75 the resource has been classified as Indicated. This classification takes into account all relevant factors, including the quality and density of the data and the geological model and reflects the Competent Person's view of the geological confidence for the deposit and the location and quality of drilling and sampling information. The Opaban 3 deposit exhibits similar characteristics to Opaban 1 albeit on a smaller scale. In particular the geological and grade continuity is strong and the deposit has been drilled on 100 metres line spacings. Accordingly the entire Opaban 3 deposit has been classified as Indicated Resource by Snowden and this is supported by the Competent Person.
Audits or reviews	○ *The results of any audits or reviews of Mineral Resource estimates.* Technical reviews of the Opaban 1 and 3 resource estimates completed by SRK Consulting and Snowden respectively were completed by the Competent Person as part of this sign-off. The key findings from the review were: • Key parameters for the definition of the mineralisation domains used in the resource estimate are appropriate. This includes the use of geological logging domains, magnetic and gravity data as well as analytical data. • The model does not include all elements that may be expected in a magnetite resource estimate, for example V and TiO_2. While the available analyses indicate the levels of these elements are relatively low and their omission does not impact the validity of the current resource it is recommended these elements be included in subsequent estimates as they may impact the value of the product. • Further metallurgical testwork focused on the removal of sulphur and the optimum grind size for the ore prior to magnetic separation is recommended as part of further infill drilling programs to ensure the resource classification can be up-graded. Likewise the bulk density data base needs to be up-graded as part of further diamond drilling and all density samples should be analysed for the full suite of elements following density determination.

Criteria	Explanation
Discussion of relative accuracy/ confidence	○ *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* ○ *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* ○ *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* Opaban 1 and Opaban 3 are global resources with no production data. Although limited production has been undertaken by Millenium and others in the past no data is available. Verbal representations by Millenium suggest good grade and mineralisation continuity. Although no technical data has been provided to support this it is consistent with the observations made during inspections of their excavations. The relative accuracy and confidence level of the Inferred Mineral Resources for Opaban 1 is similar to an Inferred Resource with a confidence of ±30% while the Indicated Resources are stated with a confidence level of +/- 20 – 25%.

APPENDIX B – DRILL HOLE DATA SUMMARY

Opaban 1

Hole ID	Easting	Northing	Elev (m)	Azimuth	Dip	Length	Drill rig
OP1_0017	679199.126	8484503.792	3580.408	0.00	90.00	112.00	DDH HQ
OP1_0018	679249.901	8484693.699	3592.468	0.00	90.00	104.50	DDH HQ
OP1_0019	679511.299	8484444.211	3648.218	0.00	89.00	80.80	DDH HQ
OP1_0020	679272.796	8484346.861	3619.299	0.00	90.00	131.00	DDH HQ
OP1_0021	679548.174	8484201.783	3647.462	270.00	45.00	168.30	DDH HQ
OP1_0022	679449.417	8484077.866	3676.994	0.00	90.00	106.90	DDH HQ
OP1_0023	679546.973	8484796.643	3640.029	0.00	90.00	125.40	DDH HQ
OP1_0024	679273.135	8484246.091	3639.201	0.00	90.00	75.00	DDH HQ
OP1_0025	679451.454	8484601.911	3641.420	0.00	90.00	80.80	DDH HQ
OP1_0026	679151.016	8484598.229	3576.926	90.00	43.00	90.00	DDH HQ
OP1_0027	679799.677	8485399.271	3621.199	0.00	90.00	37.60	DDH HQ
OP1_0028	679719.924	8485265.498	3619.582	0.00	90.00	131.00	DDH HQ
OP1_0029	679305.352	8483998.306	3659.614	90.00	45.00	78.40	DDH HQ
OP1_0030	679302.054	8483559.906	3588.894	0.00	90.00	62.00	DDH HQ
OP1_0031	679398.888	8483798.421	3639.788	270.00	45.00	181.00	DDH HQ
OP1_0032	679181.582	8484409.675	3590.054	0.00	90.00	126.00	RC
OP1_0033	679369.151	8484290.933	3629.184	0.00	90.00	116.00	RC
OP1_0034	679581.330	8484520.352	3657.857	0.00	90.00	130.00	RC
OP1_0035	679448.136	8484235.041	3642.918	0.00	90.00	154.00	RC
OP1_0036	679419.381	8484443.438	3631.797	0.00	90.00	90.00	RC
OP1_0037	679334.963	8484490.646	3615.461	0.00	90.00	110.00	RC
OP1_0038	679512.839	8484681.976	3646.65	0.00	90.00	100.00	RC
OP1_0039	679475.82	8484831.597	3625.338	0.00	90.00	90.00	RC
OP1_0040	679358.353	8484642.018	3617.627	0.00	90.00	140.00	RC
OP1_0041	679218.429	8484562.738	3587.115	0.00	90.00	80.00	RC
OP1_0042	679157.993	8483776.01	3614.895	0.00	90.00	156.00	RC
OP1_0043	679219.575	8483880.018	3636.497	0.00	90.00	90.00	RC
OP1_0044	679336.665	8483667.518	3613.58	0.00	90.00	164.00	RC
OP1_0045	679380.408	8484097.881	3677.739	0.00	90.00	90.00	RC
OP1_0046	679399.301	8483950.594	3678.782	0.00	90.00	58.00	RC
OP1_0047	679269.900	8484153.492	3649.789	0.00	90.00	70.00	RC
OP1_0048	679498.999	8483579.338	3604.654	0.00	90.00	100.00	RC
OP1_0049	679209.051	8483617.563	3582.598	0.00	90.00	76.00	RC
OP1_0050	679935.252	8485964.265	3490.132	0.00	90.00	78.00	RC
OP1_0051	679874.031	8485507.065	3611.204	0.00	90.00	80.00	RC
OP1_0052	679963.861	8485768.162	3541.637	0.00	90.00	70.00	RC
OP1_0053	679133.893	8484428.417	3581.268	0.00	90.00	210.00	RC
OP1_0054	679153.216	8484308.636	3602.388	0.00	90.00	190.00	RC
OP1_0055	679072.464	8484363.073	3580.128	0.00	90.00	190.00	RC
OP1_0056	679199.075	8484722.063	3582.079	0.00	90.00	160.00	RC
OP1_0057	679658.392	8485316.936	3602.182	0.00	90.00	152.00	RC
OP1_0058	679720.852	8485406.151	3613.525	0.00	90.00	82.00	RC
OP1_0059	679811.586	8485532.312	3601.005	0.00	90.00	122.00	RC
OP1_0060	679475.148	8484718.552	3637.902	0.00	90.00	108.00	RC
OP1_0061	679544.635	8484880.440	3641.673	0.00	90.00	130.00	RC
OP1_0062	679537.195	8484011.594	3667.652	0.00	90.00	80.00	RC
OP1_0063	679553.869	8484077.533	3663.262	300.00	60.00	110.00	RC

OP1_0064	679478.003	8483735.158	3626.910	0.00	90.00	120.00	RC
OP1_0065	679041.168	8483840.986	3588.949	0.00	90.00	118.00	RC
OP1_0066	679021.708	8484485.614	3566.224	0.00	90.00	126.00	RC
OP1_0067	678991.606	8484412.557	3565.300	0.00	90.00	132.00	RC
OP1_0068	679607.459	8485461.128	3585.973	0.00	90.00	142.00	RC
OP1_0069	679767.757	8485610.344	3585.304	0.00	90.00	190.00	RC
OP1_0070	679539.170	8484954.590	3632.653	0.00	90.00	130.00	RC
OP1_0071	678897.384	8484460.520	3559.759	0.00	90.00	160.00	RC
OP1_0072	679750	8486171	3437	0.00	90.00	100.00	DDH HQ
OP1_0073	680041	8486000	3480	0.00	90.00	57.30	DDH HQ
OP1_0074	679960	8485998	3469	120.00	75.00	82.20	DDH HQ
OP1_0075	679990	8485912	3465	60.00	60.00	100.00	DDH HQ
OP1_0076	679756	8486060	3475	300.00	60.00	65.40	DDH HQ
OP1_0077	680186	8485977	3504.00	60.00	60.00	90.15	DDH HQ
OP1_0078	679976	8485820	3520.00	0.00	90.00	120	DDH HQ
OP1_0079	679926	8485897	3506.00	0.00	90.00	118.1	DDH HQ
OP1_0080	679590	8486180	3443.00	0.00	90.00	83.6	DDH HQ
OP1_0081	679833	8485872	3545.00	100.00	60.00	112.7	DDH HQ

Opaban 3

Hole ID	Easting	Northing	Elev (m)	Azimuth	Dip	Length	Drill rig
OP3_0001	680650	8481200	3,876	0.00	90.00	67.50	DDH HQ
OP3_0002	680650	8481200	3,876	225.00	45.00	77.60	DDH HQNQ
OP3 _0003	680700	8481150	3,871	0.00	90.00	64.25	DDH HQ
OP3 _0004	680740	8481000	3,862	0.00	90.00	60.00	DDH HQNQ
OP3 _0005	680740	8481000	3,862	225.00	45.00	74.20	DDH HQNQ
OP3 _0006	680700	8481150	3,871	225.00	45.00	74.15	DDH HQ
OP3 _0007	680700	8481150	3,871	45.00	45.00	31.60	DDH HQ
OP3 _0008	680740	8481000	3,862	45.00	45.00	112.85	DDH HQNQ
OP3 _0009	680850	8480975	3,862	0.00	90.00	65.40	DDH HQ
OP3 _0010	680850	8480975	3,862	225.00	45.00	64.00	DDH HQ
OP3 _0011	680780	8480940	3,860	0.00	90.00	54.10	DDH HQ
OP3 _0012	680800	8481050	3,870	0.00	90.00	87.40	DDH HQ
OP3 _0013	680780	8480940	3,860	225.00	45.00	88.00	DDH HQ
OP3 _0014	680800	8481050	3,870	225.00	45.00	42.65	DDH HQ
OP3 _0015	680650	8481250	3,868	225.00	45.00	66.00	DDH HQ
OP3 _0016	680750	8481100	3,868	225	45.00	73.15	DDH HQNQ

* Holes denoted HQNQ commenced as HQ but switched to NQ due to drilling difficulties.

STATEMENT OF QUALIFICATIONS

This report was prepared by Mr Ken Hellsten, and is based on and fairly represents information and supporting documentation prepared by him. Mr Hellsten is an experienced geologist and Project Manager with over 30 years relevant experience in the resources industry. He holds a Bachelor of Science (Honours) in geology which he obtained from Monash University in 1980. Mr Hellsten is an independent consultant and is not employed by Strike. Mr Hellsten held the position of Managing Director of Strike between 2010 and March 2013.

Mr Hellsten has specialist expertise in geology, resource modelling, technical reviews as well as project and operations management experience for magnetite, iron ore, nickel, base metal, specialty metals and gold deposits. This includes resource modelling and supervision of consultants as well as project and operations expertise including resource and mining reconciliations.

He has more than six years continuous experience with the geometallurgical evaluation of magnetite and hematite deposits, including deposits in Australia, Indonesia, New Zealand and Peru.

Mr Hellsten is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors and is a Competent Person as defined by JORC (2012) for magnetite and hematite iron ore. Mr Hellsten consents to the form and context in which the exploration results and mineral resource estimates and supporting information are presented in this report and any attachments.

Ken Hellsten
Technical Consultant to Strike Resources.