



HALF YEAR REPORT

31 December 2016

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE [2016 ANNUAL REPORT](#) OF THE COMPANY
LODGED ON 19 OCTOBER 2016



ASX Code: SRK

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CONTENTS

Resource Projects	2
Directors' Report	4
Auditor's Independence Declaration	10
Consolidated Statement of Profit or Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to Consolidated Financial Statements	15
Directors' Declaration	21
Auditors' Independent Review Report	22
List of Mineral Concessions	23
JORC Mineral Resources	24
JORC Code Competent Persons' Statements	25
Securities Information	26

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CORPORATE DIRECTORY**BOARD**

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

COMPANY SECRETARY

Victor Ho

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STOCK EXCHANGE

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ASX CODE

SRK

SHARE REGISTRY

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RESOURCE PROJECTS

Conditional Sale Agreement - Iron Ore Projects in Peru

On 14 December 2016, Strike announced that it had entered into a [conditional sale agreement](#)¹ with a subsidiary of Chinese industrial and financial group [Zhongrong Xinda Group](#) Co. Ltd. (Zhongrong Xinda) to sell its [Apurimac](#) and [Cusco](#) Iron Ore Projects in Peru for US\$10 million (~A\$13.8 million).

Zhongrong Xinda is required to complete its due diligence by 30 April 2017 at which time the parties are also expected to complete the final documentation relating to the sale. The purchase consideration is payable on execution of the final documentation and satisfaction of all applicable regulatory requirements.

Zhongrong Xinda is a large private industrial and financial group in China, which has published reported assets of ~130 billion yuan (~A\$25.9 billion). Zhongrong Xinda has recently acquired the large-scale [Pampa de Pongo Iron Ore Project](#) in Peru.

APURIMAC IRON ORE PROJECT (PERU)

Between mid-2006 and 2014, Strike's primary focus was on the development of its Apurimac Iron Ore Project in Peru, recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation.

Current adverse market conditions however have led the Company to suspend all development activities on this and its other iron ore projects in Peru.²

Nevertheless, the nature of the Apurimac deposit and the development work undertaken to-date define this project as a potentially strategic asset in Peru which may, when market conditions improve, provide opportunity for the Company to recover value.

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



A prefeasibility study completed in 2008³ and updated in 2010⁴ on the Apurimac Project indicated clear potential for development of a world class iron ore project:

- JORC Indicated and Inferred Mineral Resource of 269Mt of iron ore at 57.3% Fe (142 Mt Indicated Resource at 57.84% Fe and 127 Mt Inferred Resource at 56.7% Fe). Of this, potentially 67Mt of Direct Shipping Ore (DSO) at an average grade of 61.5% Fe has been identified.
- Mineralisation predominantly high-grade, coarse-grained magnetite providing comparatively high mass recoveries (>60%) at coarse grind size (>500 microns).
- Excellent exploration potential within current concessions with several targets containing ironstones grading >60% Fe in similar geological settings to the main Opaban concessions.
- Base case of 20Mtpa of concentrate produced by open pit mining and processing 20 – 27Mtpa of ore with transport of the high grade (>66% Fe) product to the coast via a slurry pipeline for drying and shipment to customers.

¹ Refer Strike's ASX Announcement dated 14 December 2016: [Sale of Peru Iron Ore Assets](#)

² Refer Strike's ASX Announcements dated 28 February 2014: [Legal Injunction and Suspension of Operations in Peru](#), 13 March 2014 [Lifting of Injunction and Strategic Review](#) and 14 April 2014: [Exit from Peru](#)

³ Refer Strike's ASX Announcement dated 23 July 2008: [Prefeasibility Results Confirm World Class Prospects in Peru](#)

⁴ Refer Strike's ASX Announcement dated 23 November 2010: [Apurimac Project Update](#) and Strike's [December 2010 Quarterly Report](#)

RESOURCE PROJECTS

- Attractive life-of-mine operating expenses (2010) of US\$17 – 20 per tonne of product.
- Estimated capital expenditure (2010) of US\$2.6 – 2.9 billion, competitive with other major iron ore projects at the time.

CUSCO IRON ORE PROJECT (PERU)

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

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

BURKE GRAPHITE PROJECT (QUEENSLAND)

Strike's [Burke Graphite Project](#) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km). The key Burke tenement EPM1 25443 (~16km²) is immediately adjacent to the [Mt Dromedary Graphite Project](#), one of highest-grade flake graphite deposits in the world, located in Australia, being developed by [Graphitecorp Limited \(ASX:GRA\)](#). GRA's latest Mineral Resource Statement for its Mt Dromedary deposit was released on ASX on 20 October 2016: [Upgraded Independent JORC Mineral Resource Estimate](#)

Samples collected from EPM 25443 present similar grades and mineralogy to those reported by GRA and indicate a potential for the mineralisation delineated by GRA to extend into EPM 25443.

LITHIUM CONCESSIONS (CHILE)

Strike has, through its associates in Chile, lodged applications to secure a number of exploration concessions in Northern Chile totalling approximately 4,700 hectares in area, in a region that hosts some of the largest lithium deposits and operations in the world.

The project area is reported to contain 'caliche' style mineralisation which is formed predominantly from hardened deposits of sedimentary alkali metal salts (halides, nitrates and sulfates). Caliches consist mainly of calcium carbonates (CaCO₃) but in some parts of northern Chile, Argentina and Bolivia, these minerals are relatively rich in lithium and other elements. Initial soil sampling reported by the previous holders of the concessions has confirmed the presence of lithium mineralisation within the tenements, with assay results returning elevated grades of lithium above 1,000 ppm.

Strike is awaiting the granting of the concessions, expected by March 2017, before commencing further exploration work.

LITHIUM TENEMENTS (WESTERN AUSTRALIA)

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

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

Strike has applied for two exploration licences totalling ~31,000 hectares that exist within the extent of the known lithium and tantalum mineral fields in the region, adjacent to licences that have outcropping lithium and tantalum elevated pegmatite occurrences. Given the widespread cover of thin wind-blown sands and tertiary laterites/duricrusts, the potential of sub-cropping and shallow buried lithium and tantalum rich pegmatites and alluvial deposits is considered a strong possibility.

PAULSEN EAST IRON ORE PROJECT (WESTERN AUSTRALIA)

The Paulsen East tenements cover a total area of 3.81 square kilometres. The tenements are located 140 kilometres west of Tom Price (close to bituminised road) and eight kilometres east-northeast of the Paulsens Gold mine in the northwest of Western Australia.

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 half year ended 31 December 2016 (**Balance Date**).

Strike 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 half year.

OPERATING RESULTS

	December 2016	December 2015
Consolidated	\$	\$
Total revenue	94,231	162,575
Total expenses	(618,015)	(812,012)
Loss before tax	(523,784)	(649,437)
Income tax expense	-	-
Loss after tax	(523,784)	(649,437)

CASH FLOWS

	December 2016	December 2015
Consolidated	\$	\$
Net cash flow from operating activities	(686,426)	(916,138)
Net cash flow from investing activities	51,557	122,909
Net change in cash held	(634,869)	(793,229)
Cash held at half year end	6,334,462	7,572,134

FINANCIAL POSITION

	December 2016	June 2016
Consolidated	\$	\$
Cash	6,334,462	6,970,738
Receivables	32,687	64,740
Other assets	137,048	11,903
Liabilities	(92,125)	(74,062)
Net assets	6,412,072	6,973,319
Issued capital	148,439,925	148,439,925
Reserves	15,270,367	15,307,830
Accumulated losses	(157,298,220)	(156,774,436)
Total equity	6,412,072	6,973,319

REVIEW OF OPERATIONS

Update on Company Strategy

The Company is currently pursuing the sale of its iron ore assets in Peru, whilst actively seeking to build/acquire a portfolio of new mining projects in commodities that in the Company's view have strong market fundamentals and in locations which Strike has significant operating experience – principally, Australia and South America.

DIRECTORS' REPORT

Conditional Sale Agreement - Iron Ore Projects in Peru

On 14 December 2016, Strike announced that it had entered into a [conditional sale agreement](#)⁵ with a subsidiary of Chinese industrial and financial group [Zhongrong Xinda Group](#) Co. Ltd. (Zhongrong Xinda) to sell its [Apurimac](#) and [Cusco](#) Iron Ore Projects in Peru for US\$10 million (~A\$13.8 million).

Zhongrong Xinda is required to complete its due diligence by 30 April 2017 at which time the parties are also expected to complete the final documentation relating to the sale. The purchase consideration is payable on execution of the final documentation and satisfaction of all applicable regulatory requirements.

Zhongrong Xinda is a large private industrial and financial group in China, which has published reported assets of ~130 billion yuan (~A\$25.9 billion). Zhongrong Xinda has recently acquired the large-scale [Pampa de Pongo Iron Ore Project](#) in Peru.

Burke Graphite Project (Queensland)

During the half year, Strike secured an interest in the early stage Burke Graphite Project⁶ located at Mt Dromedary in North Central Queensland.

Strike's [Burke Graphite Project](#) is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km). The key Burke tenement EPM 25443 (~16km²) is immediately adjacent to the [Mt Dromedary Graphite Project](#), one of highest-grade flake graphite deposits in the world, located in Australia, being developed by [Graphitecorp](#) Limited (ASX:GRA). GRA's latest Mineral Resource Statement for its Mt Dromedary deposit was released on ASX on 20 October 2016: [Upgraded Independent JORC Mineral Resource Estimate](#)

Samples collected from EPM 25443 present similar grades and mineralogy to those reported by GRA and indicate a potential for the mineralisation delineated by GRA to extend into EPM 25443.

Once the necessary access approvals have been secured, an initial (RC and core combination) drilling programme will be undertaken (currently expected to commence in April 2017) in order to assess the overall size, grade and metallurgical characteristics of the graphite potential in the tenement.

Lithium Tenement Application (Western Australia)

Strike has applied for two exploration licences totaling ~31,000 hectares in the North Pilbara of Western Australia (WA), that exist within the extent of the known lithium and tantalum mineral fields in the region, adjacent to licences that have outcropping lithium and tantalum elevated pegmatite occurrences. Given the widespread cover of thin wind-blown sands and tertiary laterites/duricrusts, the potential of sub-cropping and shallow buried lithium and tantalum rich pegmatites and alluvial deposits is considered a strong possibility.

The North Pilbara hosts a number of lithium and tantalum prospects associated with pegmatites that are related to the Sisters Supersuite of monzogranites and other high end intrusives that intruded the Archaean greenstone terrain of the East Pilbara approximately 3 billion years ago. Lithium and tantalum mineralisation occurs either within the pegmatite veins or within alluvials draining the elevated areas containing the pegmatite veins.

When the licences are granted, Strike plans to undertake an exploration programme of geological mapping, drilling and metallurgical sampling with the primary targeted minerals being lithium, tantalum and rare earth elements associated with pegmatites and/or alluvials.

Lithium Tenement Application (Chile, South America)

Strike has, through its associates in Chile, lodged applications to secure a number of exploration concessions in Northern Chile totalling approximately 4,700 hectares in area, in a region that hosts some of the largest lithium deposits and operations in the world.

The project area is reported to contain 'caliche' style mineralisation which is formed predominantly from hardened deposits of sedimentary alkali metal salts (halides, nitrates and sulfates). Caliches consist mainly of calcium

⁵ Refer Strike's ASX Announcement dated 14 December 2016: [Sale of Peru Iron Ore Assets](#)

⁶ Refer Strike's ASX Announcement dated 9 November 2016: [Strike Secures Graphite Project in Queensland](#)

DIRECTORS' REPORT

carbonates (CaCO₃) but in some parts of northern Chile, Argentina and Bolivia, these minerals are relatively rich in lithium and other elements. Initial soil sampling reported by the previous holders of the concessions has confirmed the presence of lithium mineralisation within the tenements, with assay results returning elevated grades of lithium above 1,000 ppm.

Strike is awaiting the granting of the concessions, expected by March 2017, before commencing further exploration work.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2016.

SECURITIES ON ISSUE

The Company has the following total securities on issue as at 31 December 2016 (and as at the date of this report):

	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	145,334,268	-	145,334,268
\$0.30 (17 June 2018) Unlisted Managing Director's Options ⁷	-	3,000,000	3,000,000
Total	145,334,268	3,000,000	148,334,268

During the half year, the following unlisted options lapsed on 23 November 2016:

	Total
\$0.36 (23 November 2016) Unlisted Options ⁸	1,166,668
\$0.42 (23 November 2016) Unlisted Options ⁹	1,166,666
\$0.56 (23 November 2016) Unlisted Options ⁹	1,166,666
	3,500,000

7 Refer Strike's ASX announcement dated 18 June 2013: [Appendix 3B – Grant of Options and Cancellation of Options](#) and Strike's [Notice of General Meeting](#) lodged on ASX on 17 May 2013

8 Refer Strike's ASX announcement dated [24 November 2011: Appendix 3B - Issue of Personnel Options](#) and Strike's [Notice of AGM](#) lodged on ASX on 24 October 2011

DIRECTORS' REPORT

BOARD OF DIRECTORS

Farooq Khan	Chairman
<i>Appointed</i>	18 December 2015; Director since 1 October 2015;
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan is a previous Director of Strike Resources (September 1999 to February 2011, including as the founding Executive Chairman and Managing Director after the Company's IPO in March 2000) and 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 sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Special responsibilities</i>	Member of the Audit Committee Member of the Remuneration and Nomination Committee
<i>Relevant Interests in shares and options</i>	530,010 Shares (directly)
<i>Other current directorships in listed entities</i>	Executive Chairman of: Orion Equities Limited (ASX: OEQ) (since October 2006) Bentley Capital Limited (ASX: BEL) (Director since December 2003) Executive Chairman and Managing Director of: Queste Communications Ltd (ASX: QUE) (since March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

William Johnson	Managing Director
<i>Appointed</i>	25 March 2013; Director since July 2006
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	Mr. 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 oil and gas exploration (North Africa and Australia), mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman 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 business strategy, investment analysis, finance and execution.
<i>Special responsibilities</i>	None
<i>Relevant Interests in shares and options</i>	3,000,000 Unlisted Managing Director's Options (\$0.30, 17 June 2018) ¹¹ 249,273 Shares (directly)
<i>Other current directorships in listed entities</i>	Executive Director of: Bentley Capital Limited (ASX: BEL) (since 1 January 2016; Director since March 2009) Director of: Keybridge Capital Limited (ASX: KBC) (since 29 July 2016) ⁹
<i>Former directorships in other listed entities in past 3 years</i>	Nil

9 Refer KBC's ASX announcement dated [29 July 2016: Results of General Meeting and Board Changes](#).

DIRECTORS' REPORT

Malcolm Richmond	Non-Executive Director
<i>Appointed</i>	Director since 25 October 2006; previously Chairman (3 February 2011 to 18 December 2015)
<i>Qualifications</i>	BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (<i>New South Wales</i>)
<i>Experience</i>	<p>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.</p> <p>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.</p> <p>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).</p>
<i>Special responsibilities</i>	Chairman of the Audit Committee Member of the Remuneration and Nomination Committee
<i>Relevant Interests in shares and options</i>	Nil
<i>Other current directorships in listed entities</i>	Non-Executive Director of: Argonaut Resources NL (ASX: ARE) (since 14 March 2012)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

Matthew Hammond	Non-Executive Director
<i>Appointed</i>	25 September 2009
<i>Qualifications</i>	BA (Hons) (<i>Bristol</i>)
<i>Experience</i>	<p>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.</p>
<i>Special responsibilities</i>	Chairman of the Remuneration and Nomination Committees Member of the Audit Committee
<i>Relevant Interests in shares and options</i>	Nil
<i>Other current directorships in listed entities</i>	<p>Managing Director and Chief Financial Officer of: Mail.Ru Group Limited (LSX:MAIL) (since April 2011; Director since May 2010; CFO since June 2013)</p> <p>Non-Executive Director of: PuriCore plc (AIM:PURI) (appointed May 2010)</p>
<i>Former directorships in other listed entities in past 3 years</i>	Qiji plc (NASDAQ:QIWI) (September 2011 to September 2014)

DIRECTORS' REPORT

Victor Ho	Executive Director and Company Secretary
<i>Appointed</i>	Director since 24 January 2014; Company Secretary since 30 September 2015
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>), CTA
<i>Experience</i>	Mr Ho is a previous Director and Company Secretary of Strike Resources (2000 to 2010) and has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 17+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Special responsibilities</i>	Secretary of Audit Committee and Remuneration and Nomination Committee
<i>Relevant Interests in shares and options</i>	Nil
<i>Other current directorships in listed entities</i>	Executive Director (also Company Secretary) of: Orion Equities Limited (ASX: OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) Queste Communications Ltd (ASX: QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) Company Secretary of: Bentley Capital Limited (ASX: BEL) (since 5 February 2004) Keybridge Capital Limited (ASX: KBC) (since 13 October 2016)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of: Alara Resources Limited (ASX: AUQ) (4 April 2007 to 31 August 2015)

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 10. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



William Johnson
Managing Director



Malcolm Richmond
Non-Executive Director and
Chairman of Audit Committee

28 February 2017



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The Directors
Strike Resources Limited
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West Perth WA 6005

Dear Sirs

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2016 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 28th February 2017



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the half year ended 31 December 2016

	Note	31 Dec 16	31 Dec 15
REVENUE		\$	\$
Interest revenue	2	94,228	162,575
Other			
Other income		3	-
TOTAL REVENUE AND INCOME		94,231	162,575
EXPENSES	3		
Personnel expenses		(315,916)	(280,556)
Corporate expenses		(219,565)	(423,274)
Occupancy expenses		(13,762)	(10,206)
Exploration and evaluation expenses		(18,649)	(38,549)
Finance expenses		(1,879)	(2,397)
Foreign exchange loss		(15,199)	(1,365)
Administration expenses		(33,045)	(55,665)
LOSS BEFORE INCOME TAX		(523,784)	(649,437)
Income tax expense		-	-
LOSS FOR THE HALF YEAR		(523,784)	(649,437)
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax			
Exchange differences on translation of foreign operations		(37,463)	(7,479)
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		(561,247)	(656,916)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted loss per share (cents)	5	(0.39)	(0.45)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Note	31 Dec 16 \$	30 Jun 16 \$
CURRENT ASSETS			
Cash and cash equivalents	6	6,334,462	6,970,738
Receivables		32,687	64,740
Other current assets		27,821	9,616
TOTAL CURRENT ASSETS		6,394,970	7,045,094
NON-CURRENT ASSETS			
Property, plant and equipment		1,969	2,287
Exploration and evaluation expenditure	7	107,258	-
TOTAL NON-CURRENT ASSETS		109,227	2,287
TOTAL ASSETS		6,504,197	7,047,381
CURRENT LIABILITIES			
Payables		80,171	60,643
Provisions		11,954	13,419
TOTAL CURRENT LIABILITIES		92,125	74,062
TOTAL LIABILITIES		92,125	74,062
NET ASSETS		6,412,072	6,973,319
EQUITY			
Issued capital		148,439,925	148,439,925
Reserve		15,270,367	15,307,830
Accumulated losses		(157,298,220)	(156,774,436)
TOTAL EQUITY		6,412,072	6,973,319

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2016

	Issued capital \$	Currency translation reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total \$
BALANCE AT 1 JUL 2015	148,439,925	2,112,918	13,233,026	(156,145,766)	7,640,103
Loss for the half year	-	-	-	(649,437)	(649,437)
Other comprehensive income	-	(7,479)	-	-	(7,479)
Total comprehensive loss for the half year	-	(7,479)	-	(649,437)	(656,916)
BALANCE AT 31 DEC 2015	148,439,925	2,105,439	13,233,026	(156,795,203)	6,983,187
BALANCE AT 1 JUL 2016	148,439,925	2,074,804	13,233,026	(156,774,436)	6,973,319
Loss for the half year	-	-	-	(523,784)	(523,784)
Other comprehensive income	-	(37,463)	-	-	(37,463)
Total comprehensive loss for the half year	-	(37,463)	-	(523,784)	(561,247)
BALANCE AT 31 DEC 2016	148,439,925	2,037,341	13,233,026	(157,298,220)	6,412,072

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2016

	31 Dec 16	31 Dec 15
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(686,426)	(916,138)
NET CASH USED IN OPERATING ACTIVITIES	(686,426)	(916,138)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	70,206	162,575
Payments for exploration and evaluation expenses	(18,649)	(38,549)
Payment for purchases of plant and equipment	-	(1,117)
NET CASH PROVIDED BY INVESTING ACTIVITIES	51,557	122,909
NET DECREASE IN CASH HELD	(634,869)	(793,229)
Cash and cash equivalents at beginning of financial year	6,970,738	8,374,206
Effect of exchange rate changes on cash held	(1,407)	(8,843)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,334,462	7,572,134

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2016 to the date of this report.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2016.

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:

	31 Dec 16	31 Dec 15
Revenue	\$	\$
Interest revenue	94,228	162,575
	<u>94,228</u>	<u>162,575</u>
Other		
Other income	3	-
	<u>94,231</u>	<u>162,575</u>

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:

Personnel expenses		
Salaries, fees and employee benefits	315,916	280,556
Corporate expenses		
Professional fees	175,459	88,152
ASX fees	21,199	21,005
Accounting, taxation and related administration	12,416	12,304
Audit	4,400	19,848
Share registry	3,930	3,781
Other corporate expenses	2,161	735
Takeover response cost	-	319,024
Reversal of provision for legal fees	-	(41,575)
Occupancy expenses	13,762	10,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

3. EXPENSES (continued)	31 Dec 16	31 Dec 15
	\$	\$
Exploration and evaluation expenses		
Impairment loss	2,185	27,968
Other exploration and evaluation expenses	16,464	10,581
Finance expenses	1,879	2,397
Foreign exchange loss	15,199	1,365
Administration expenses		
Insurance	9,619	10,244
Travel, accommodation and incidentals	6,176	12,975
Depreciation	318	272
Other administration expenses	16,932	32,174
	618,015	812,012

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 and Peru.

	Peru	Australia	Total
	\$	\$	\$
31 Dec 16			
Revenue	-	94,228	94,228
Other	3	-	3
Total segment revenues	3	94,228	94,231
Personnel expenses	-	315,916	315,916
Corporate expenses	155,158	64,407	219,565
Finance expenses	1,014	865	1,879
Foreign exchange loss	13,791	1,408	15,199
Exploration and evaluation expenses	2,185	16,464	18,649
Depreciation expense	-	318	318
Other expenses	7,499	38,990	46,489
Total segment loss	(179,644)	(344,140)	(523,784)
Adjusted EBITDA	(179,644)	(343,822)	(523,466)
Total segment assets	53,453	6,450,744	6,504,197
Total segment liabilities	83,673	8,452	92,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

4. SEGMENT INFORMATION (continued)

	Peru \$	Australia \$	Total \$
31 Dec 15			
Revenue	-	162,575	162,575
Total segment revenues	-	162,575	162,575
Personnel expenses	-	280,556	280,556
Corporate expenses	44,810	378,464	423,274
Finance expenses	1,438	959	2,397
Exploration and evaluation expenses	27,968	-	27,968
Depreciation expense	-	272	272
Other expenses	(58,469)	136,014	77,545
Total segment loss	(15,747)	(633,690)	(649,437)
Adjusted EBITDA	(15,747)	(633,418)	(649,165)
30 Jun 16			
Total segment assets	74,217	6,973,164	7,047,381
Total segment liabilities	36,985	37,077	74,062

5. LOSS PER SHARE

	31 Dec 16 cents	31 Dec 15 cents
Basic and diluted loss per share	(0.39)	(0.45)
The following represents the loss and weighted average number of shares used in the EPS calculations:		
	31 Dec 16 \$	31 Dec 15 \$
Net loss after income tax	(561,247)	(656,916)
	Shares	Shares
Weighted average number of ordinary shares	145,334,268	145,334,268

Under AASB113 (Earnings per share), potential ordinary shares such as options will only be treated as dilutive when their conversion to ordinary shares would increase the loss per share from continuing operations. Diluted loss per share has not been calculated as the Company's options do not increase the basic loss per share.

6. CASH AND CASH EQUIVALENTS

	31 Dec 16 \$	31 Jun 16 \$
Cash at bank	109,462	245,738
Term deposits	6,225,000	6,725,000
	6,334,462	6,970,738

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

7. EXPLORATION AND EVALUATION EXPENDITURE	31 Dec 16	31 Jun 16
	\$	\$
Opening balance	-	-
Exploration and evaluation costs	109,443	271,844
Impairment loss	(2,185)	(271,844)
Closing balance	<u>107,258</u>	<u>-</u>

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) and has recognised an impairment expense of \$109,443 during the current financial half year. The ultimate recoverability of deferred exploration and evaluation expenditure is dependent on the successful development or sale of the relevant area of interest.

8. COMMITMENTS

(a) Mineral Tenement/Concession - Commitments for Expenditure

(i) Australian tenements

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

(ii) Peruvian concessions

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

9. CONTINGENCIES

(a) Australian Native Title

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

(b) Government Royalties

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

(c) Directors' Deeds

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

9. CONTINGENCIES (continued)

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

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

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

- (i) **Resource Milestone Payment:** US\$2 million on the delineation of at least 500 Mt of JORC Mineral Resources at an average grade of at least 55% Fe with at least 275 Mt of contained iron having an average grade of at least 52.5% Fe, on the Apurimac Project mineral concessions.
- (ii) **Approvals Milestone Payment:** Up to US\$3 million on AF receiving all formal government environmental and community approvals for the construction and operation of an iron ore mine and required infrastructure with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.
- (iii) **Construction Milestone Payment:** Up to US\$5 million on formal approval of the AF Board to commence construction of an iron ore project or the commencement of bulk earthworks for an iron ore mine or processing plant, in either case with a design capacity of at least 10Mtpa of iron ore product, relating to the Apurimac Project mineral concessions.

The Consolidated Entity has royalty payment obligations as follows:

- (i) 1.5% of the net profits from sales of iron ore mined and iron ore products produced from the Apurimac and Cusco Project mineral concessions.
- (ii) 2% of the proceeds of sales of other metals (on a net smelter return basis) mined from the Apurimac and Cusco Project mineral concessions.

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

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

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

(e) Legal Disputes Over Peru Mineral Concessions

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

9. CONTINGENCIES (continued)

(f) Peruvian Withholding Tax Matter

AF has an obligation (which the Consolidated Entity believes it has historically complied with) to withhold and remit Non-Resident Income Tax Withholding Tax (**WHT**) to SUNAT (the Peruvian Tax Administration) in respect of certain payments to overseas suppliers.

SUNAT has previously advised that it may undertake a new audit of some historical WHT obligations and payments of AF. Given the lack of any such action by SUNAT since April 2015 and after receipt of advice from its Peruvian tax advisors, the Consolidated Entity has determined not to recognise any provision for any potential future findings by SUNAT.

If SUNAT was to undertake a new audit as above and claim that additional WHT was payable by AF on its historical payments to overseas suppliers, the Consolidated Entity would appeal any final WHT determination by SUNAT to the Tax Administration Court (where applicable).

10. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial half 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

In accordance with a resolution of the Directors of Strike Resources Limited made pursuant to [sub-section 303\(5\)](#) of the *Corporations Act 2001 (Cth)*, we state that:

In the opinion of the Directors:

- (1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the financial half year ended on that date; and
 - (b) complying with Accounting Standards [AASB 134](#) "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



William Johnson
Managing Director



Malcolm Richmond
Non-Executive Director and
Chairman of Audit Committee

28 February 2017



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Independent Review Report to the Members of Strike Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Strike Resources Limited for the half-year ended 31 December 2016.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2016 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Strike Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Strike Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2016 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham R Swan
Partner

Dated 28th February 2017



Chartered Accountants

LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the financial half year (31 December 2016) and currently:

APURIMAC IRON ORE PROJECT (PERU)

(Strike – 100%)

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

CUSCO IRON ORE PROJECT (Peru)

(Strike – 100%)

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

PAULSENS EAST IRON-ORE PROJECT (WESTERN AUSTRALIA)

(Strike – 100%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
Retention Licence RL 47/7	Granted	4/12/14	4/12/19	~381 Ha	~3.81

BURKE GRAPHITE PROJECT (QUEENSLAND)

(Strike – 60%)

Tenement No	Status	Grant Date	Expiry Date	Area (blocks/Ha)	Area (km ²)
EPM 25443	Granted	4/9/14	3/9/19	5 sub-blocks	~16
EPM 25696	Granted	2/4/15	1/4/20	11 sub-blocks	~36

JORC MINERAL RESOURCES

APURIMAC IRON ORE PROJECT (PERU)

(Strike – 100%)

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

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

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

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

CUSCO IRON ORE PROJECT (PERU)

(Strike – 100%)

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

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

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

JORC CODE COMPETENT PERSONS' STATEMENT

JORC CODE (2012) COMPETENT PERSON STATEMENT - APURIMAC PROJECT MINERAL RESOURCES

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Apurimac Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Mr Hellsten has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

JORC CODE (2004) COMPETENT PERSON STATEMENT – CUSCO PROJECT MINERAL RESOURCES

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Cusco Iron Ore Project (Peru) is based on, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten was a principal consultant to Strike Resources Limited and was also formerly the Managing Director of Strike Resources Limited (between 24 March 2010 and 19 January 2013). Mr Hellsten has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 204 Edition of the JORC Code. Mr Hellsten approves and consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.

JORC CODE (2012) COMPETENT PERSON STATEMENT - BURKE GRAPHITE PROJECT EXPLORATION RESULTS

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

SECURITIES INFORMATION

as at 31 December 2016

ISSUED CAPITAL

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	145,334,268	-	145,334,268
\$0.30 (17 June 2018) Unlisted Managing Director's Options ¹⁰	-	3,000,000	3,000,000
TOTAL	145,334,268	3,000,000	148,334,268

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	367	154,351	0.106 %
1,001	-	5,000	647	1,930,206	1.328 %
5,001	-	10,000	280	2,269,269	1.561 %
10,001	-	100,000	353	11,261,890	7.749 %
100,001	-	and over	77	129,718,552	89.255 %
TOTAL			1,724	145,334,268	100 %

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	7,142	1,128	2,804,378	1.930 %
7,143	-	over	596	142,529,890	98.070 %
TOTAL			1,724	145,334,268	100 %

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 7,142 shares or less (being a value of \$500 or less in total), based upon the Company's closing share price of \$0.065 on 31 December 2016.

¹⁰ Refer Strike's ASX announcement dated 18 June 2013: [Appendix 3B – Grant of Options and Cancellation of Options](#) and Strike's [Notice of General Meeting](#) lodged on ASX on 17 May 2013 and [Strike's Lapse of Unlisted Options](#) lodged on 25 November 2016

SECURITIES INFORMATION

as at 31 December 2016

TOP TWENTY, ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	BENTLEY CAPITAL LIMITED	52,553,493	36.160%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,715,181	18.382%
3	DATABASE SYSTEMS LTD	12,537,090	8.626%
4	ORION EQUITIES LIMITED	10,000,000	6.881%
5	ACN 139 886 025 PTY LTD	2,110,261	1.452%
6	AUSINCA PERU S.A.	1,718,973	1.183%
7	TCH HOLDINGS PTY LTD	1,500,000	1.032%
8	MR IANAKI SEMERDZIEV	1,379,000	0.949%
9	CONCORDE SECURITIES PTY LTD	1,200,000	0.826%
10	JP MORGAN NOMINEES AUSTRALIA LIMITED	1,181,202	0.813%
11	MR CHI MAU PHUONG	1,137,437	0.783%
12	D&C PESCA S.A.C.	1,081,027	0.744%
13	BONTOWN PTY LTD	900,000	0.619%
14	CLASSIC CAPITAL PTY LTD	750,000	0.516%
15	EMPIRE HOLDINGS WA PTY LTD	700,000	0.482%
16	MR JOHN FAZZALORI	619,479	0.426%
17	MR FAROOQ KHAN	530,010	0.365%
18	MR TRAVIS CHRISTIAN HANSEN & MISS CARYSS FRANCES BIDESI	500,000	0.344%
19	MRS LILIANA TEOFILOVA	497,000	0.342%
20	RENMUIR HOLDINGS LIMITED	487,428	0.335%
TOTAL		118,097,581	81.259%

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares Held	%Voting Power
Bentley Capital Limited ¹¹	Bentley Capital Limited	52,553,493	36.16%
ABU Holding International Limited and Associates ¹²	HSBC Custody Nominees (Australia) Limited	25,825,000	17.77%
Database Systems Ltd and Ambreen Chaudhri ¹³	Database Systems Ltd	12,537,090	8.63%
Orion Equities Limited ¹⁴	Orion Equities Limited	10,000,000	6.88%
Queste Communications Ltd ¹⁵	Orion Equities Limited	10,000,000	6.88%

¹¹ Refer Bentley's [Notice of Change in Interests of Substantial Holder dated 4 September 2015](#)

¹² Refer [Notice of Initial Substantial Holder dated 21 December 2012](#)

¹³ Based on [Notice of Change in Interests of Substantial Holder dated 4 June 2013](#)

¹⁴ Refer Orion's [Notice of Change in Interests of Substantial Holder dated 4 September 2015](#)

¹⁵ Refer Queste's [Notice of Change in Interests of Substantial Holder dated 4 September 2015](#); 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