

QUARTERLY REPORT

COMPANY DETAILS

ABN: 94 088 488 724

PRINCIPAL AND REGISTERED OFFICE

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ASX CODE

SRK

SECURITIES ON ISSUE

283,750,000 shares
1,850,000 SIP Options
(\$0.185, 14 Feb 2025)

BOARD OF DIRECTORS

Farooq Khan
(Executive Chairman)

William Johnson
(Executive Director)

Victor Ho
(Executive Director)

Matthew Hammond
(Non-Executive Director)
(resigned on 27 September 2024)

COMPANY SECRETARY

Victor Ho
cosec@strikeresources.com.au

AUTHORISED FOR RELEASE BY - FOR FURTHER INFORMATION:

William Johnson
Executive Director
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31 October 2024

HIGHLIGHTS

Apurimac Iron Ore Project (Peru)

- Continued to build partnerships with local communities in the Apurimac region, focusing on social development initiatives and fostering local support
- Meeting with representatives from the Peruvian Ministry of Energy and Mines and Ministry of Economy and Finance regarding the proposed Marcona-Andahuaylas Railway
- Progressing to secure the necessary approvals to support upcoming exploration plans aimed at evaluating further resource growth potential.

Corporate

- Matthew Hammond retired as Non-Executive director.
- On August 8, 2024, Lithium Energy Shareholders Approved the Sale of its 90% Interest in the Solaroz Lithium Brine Project.
- Strike Resources holds a 27.7% stake in Lithium Energy Limited (ASX:LEL).

About Strike Resources Limited (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which owns the high grade Apurimac Iron Ore Project in Peru where it has exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike also has a 27.7% (31.01 Million shares) interest in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9 Million IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.

PROJECTS

Apurimac Iron Ore Project (Peru)

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest-grade, large-scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation (refer Figure 1).

A JORC (2012) Indicated and Inferred Mineral Resource has been defined at the main Opaban 1 and Opaban 3 concessions of 269Mt of iron ore at 57.3% Fe (142 Mt Indicated Resource at 57.8% Fe and 127 Mt Inferred Resource at 56.7% Fe).¹

Strike has previously completed two shipments (to Chinese and South American Steel Mills) of high-grade (+65% Fe) Apurimac Premium Lump shipping iron ore (DSO) in 2021.²

During the quarter, Strike advanced the Apurimac Project by focusing on community engagement, infrastructure planning, and permitting efforts aimed at supporting project development.

The Company continues to prioritise building strong relationships with local communities through regular meetings and workshops, sharing updates, and addressing concerns to foster goodwill and secure local support. Efforts to enhance the project's logistics framework also continued, with discussions underway regarding the proposed Marcona-Andahuaylas Railway.

The Company recently held a key meeting with representatives from the Peruvian Ministry of Energy and Mines and Ministry of Economy and Finance to advance the Company's iron ore business in Peru. During the meeting, Strike outlined its plans for the Apurimac Iron Ore Project and engaged in dialogue regarding the proposed Andahuaylas-Marcona railway. These discussions aim to explore agreements that could reduce transportation costs and improve logistics by linking the mine to the coast.

The Government's interest in the Company's Vision and infrastructure development represents an encouraging step forward, highlighting promising opportunities for collaboration.

Progress was made in securing the necessary approvals to support upcoming exploration plans aimed at evaluating additional resource potential, with a social and environmental management plan being developed in accordance with local regulations and best practices to support responsible development.



Figure 1: Strike Apurimac Iron Ore Project, showing route of proposed Andahuaylas Railway

1 Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

2 Refer Strike's ASX Announcements dated 19 August 2021: Maiden Iron Ore Shipment from Peru and 29 October 2021: Second Iron Ore Shipment from Peru Completed

CORPORATE

Resignation of Non-Executive Director

Matthew Hammond retired as a Non-Executive Director of the company during the quarter.³

Update on Investment in Lithium Energy Limited (LEL)

Strike has a 27.7% (31.01 million shares) interest in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9 Million IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.

Solaroz Lithium Brine Project, Argentina

Lithium Energy and CNGR, one of the world's largest producers of precursor materials for leading companies in the battery materials supply chain executed a share purchase agreement on 26 April 2024 where CNGR will purchase Lithium Energy's 90% interest in the Solaroz Lithium Project for US\$63 Million (~A\$94 Million) cash.⁴ The sale price of ~A\$94 Million (excluding costs and taxes) is equivalent to ~A\$0.839 per share.⁵

The sale is subject to a number of conditions precedent, including receipt of Lithium Energy shareholder approval at a General Meeting (which was received on 8 August 2024)⁶ and receipt of regulatory approvals in China (which was confirmed by CNGR on 3 June 2024).⁷

Other conditions precedent currently outstanding relate to the receipt by Solaroz of certain environmental approvals in Argentina, which are currently in the final stages of review by the relevant local Government agencies and the registration of CNNET as a foreign company in Argentina, which CNGR advises is currently being processed.

Burke and Corella Graphite Projects, Queensland

Lithium Energy and NOVONIX Limited (ASX:NVX) entered into a share sale and purchase agreement on 3 April 2024 to merge their adjoining Queensland Graphite Assets into spin-out company, Axon Graphite Limited (proposed ASX Code:AXG) (Axon Graphite), through an IPO, as a dedicated ASX-listed vertically-integrated mine to Battery Anode Material (BAM) manufacturing company.⁸

Axon Graphite plans to raise \$15 Million (a minimum subscription) to \$25 Million (maximum subscriptions) at an issue price of \$0.20 per share. Post successful completion of the Axon Graphite IPO (assuming a \$20 million raising), Lithium Energy and NOVONIX will each hold a 25% cornerstone equity holding in Axon Graphite.

The Axon Graphite IPO Prospectus is currently being finalised in preparation for lodgement with ASIC.

³ Refer SRK ASX Announcement dated 30 September 2024: Resignation of Director

⁴ Refer to LEL ASX Announcement dated 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

⁵ Based on an exchange rate of A\$1.00 : US\$0.67

⁶ Refer to LEL ASX Announcement dated 8 August 2024 Shareholders Approve Sale of Solaroz Lithium Interests

⁷ Refer LEL ASX Announcement dated 3 June 2024: Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project

⁸ Refer LEL ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO

Summary of Expenditure Incurred

A summary of expenditure incurred by the Consolidated Entity during the quarter, in relation to cash flows from operating and investing activities reported in the Appendix 5B Cash Flow Report is as follows:

For Current Quarter ending 30 September 2024	Consolidated Entity Cash Outflows		
	Operating \$'000	Investing \$'000	Total \$'000
Exploration and evaluation expenditure	13	-	13
Development	-	-	-
Personnel expenses	156	-	156
Occupancy expenses	21	-	21
Corporate expenses	379	-	379
Administration expenses	70	-	70
Other Apurimac Project (Peru) operating costs	112	-	112
Total Expenditure	751	-	751

On 11 July 2024, the Company received \$100,000 deferred consideration from the sale of Paulsens East (which completed on 8 March 2024). The Company has agreed to a temporary suspension of payment of the (\$400,000) balance of the deferred consideration pending finalisation and reconciliation of a pre-completion supplier contractual matter. The \$500,000 deferred consideration was recognised as a Receivable asset as at balance date.

Payments to Related Parties

During the quarter, Strike paid a total of \$138k in respect of Directors' remuneration, comprising salaries, fees, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

LIST OF MINERAL CONCESSIONS

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

Apurimac Iron Ore Project (Peru)

Concession Name	Area (Ha)	Province	Code	Title	File No
Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010	11102187

JORC MINERAL RESOURCES

Apurimac Iron Ore Project (Peru)

The Apurimac Project has a JORC 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

Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard.

* The Opaban 3 Mineral Resource has been diminished by production and sales of 50,095 tonnes of lump iron ore grading 65.78% Fe, 2.42% SiO₂, 0.72% Al₂O₃, 0.057% P and 0.09% S.

JORC CODE COMPETENT PERSON'S STATEMENT

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

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

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

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

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

FORWARD LOOKING STATEMENTS

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

Appendix 5B

Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity

STRIKE RESOURCES LIMITED (ASX:SRK) and its controlled entities

ABN

94 088 488 724

Quarter Ended (current quarter)

30 September 2024

Consolidated statement of cash flows

	Current Quarter Sep-2024 \$A' 000	Year to Date 3 months \$A' 000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(13)	(13)
(b) development	-	-
(c) production	-	-
(d) staff costs	(156)	(156)
(e) administration and corporate costs	(470)	(470)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	69	69
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other:	-	-
<i>Other Apurimac Project (Peru) operating costs</i>	(112)	(112)
1.9 Net cash from / (used in) operating activities	(682)	(682)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current Quarter Sep-2024 \$A' 000	Year to Date 3 months \$A' 000
2.2 Proceeds from the disposal of:		
(a) entities	100	100
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other:	-	-
2.6 Net cash from / (used in) investing activities	100	100
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other:	-	-
3.10 Net cash from / (used in) financing activities	-	-
4. Net increase / (decrease) in cash and cash equivalents for the period	(582)	(582)
4.1 Cash and cash equivalents at beginning of period	6,697	6,697
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(682)	(682)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	100	100
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	6,115	6,115

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A' 000	Previous Quarter \$A' 000
5.1 Bank balances	6,090	6,672
5.2 Call deposits	25	25
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,115	6,697

6. Payments to related parties of the entity and their associates	Current Quarter \$A' 000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(138)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A' 000	Amount drawn at quarter end \$A' 000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	-
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Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A' 000
8.1 Net cash from / (used in) operating activities (item 1.9)	(682)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(682)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,115
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,115
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.0

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

Compliance statement

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

Authorised By:



Victor Ho
Executive Director and Company Secretary

31 October 2024

See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. The Company currently holds the following listed share investments:

ASX code	Company	30-Sep-24		
		No Shares	Last Bid Price	Market Value
LEL	Lithium Energy Limited	31,010,000	\$0.310	\$9,613,100

2. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
3. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
5. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
6. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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