Monday, 13 November 2017

MARKET ANNOUNCEMENT

Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to report a maiden Inferred Mineral Resource for its Burke Graphite Project in Queensland (**Project**). CSA Global were engaged by Strike to complete a Mineral Resource Estimate (**MRE**) for the Project[1]:

- **6.3 million tonnes @ 16.0% Total Graphitic Carbon (TGC)** for **1,000,000 tonnes** of contained graphite;
- Within the mineralisation envelope there is included higher grade material of **2.3 million tonnes @ 20.6% TGC** (with a TGC cut-off grade of 18%) for **464,000 tonnes** of contained graphite which will be investigated further.

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

Based upon the MRE for the Project referred to above, the following Chart illustrates the TGC grades of published Total JORC Resource/Reserves of selected ASX Listed Graphite Projects relative to the Burke Project.

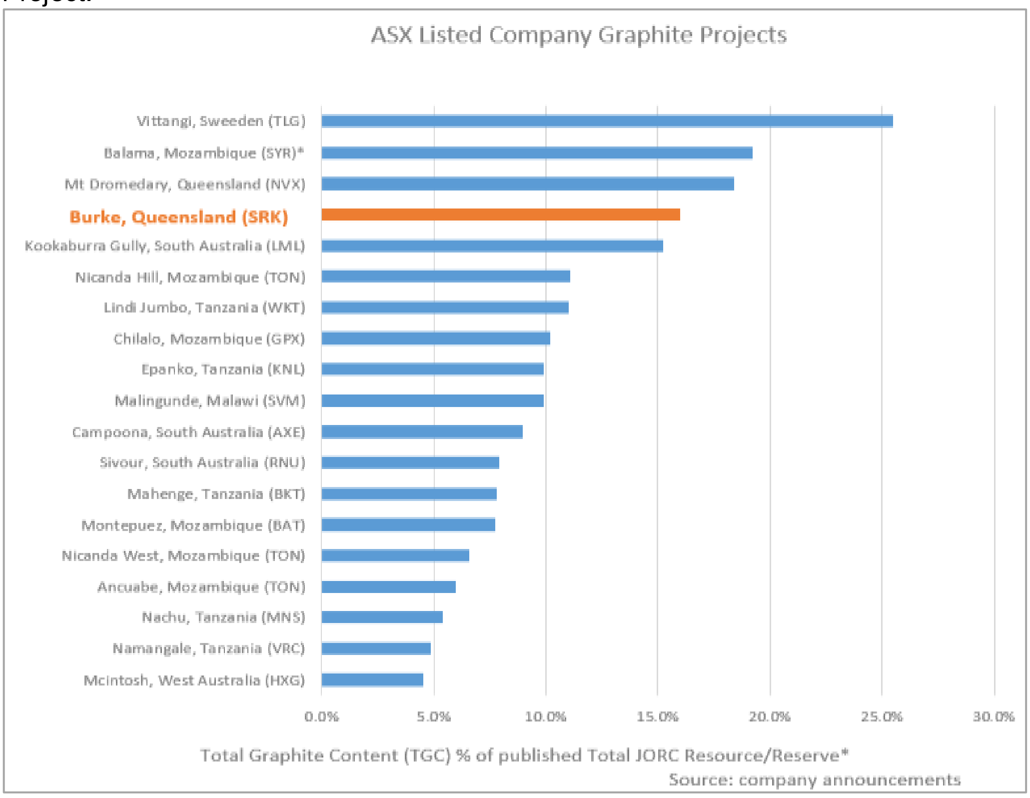

Figure 1 - Selected TGC% of Published Total JORC Resource/Reserve* vs. Maiden Burke Mineral Resource Estimates

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1 Refer Grade Tonnage Data in Table 2 of CSA Global's Burke Graphite Project MRE Technical Summary dated 9 November 2017 (attached as Annexure A of this Announcement)

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In addition to the high-grade nature of the deposit, the Burke Graphite Project:

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

Given the above highly favourable project characteristics and with the minimum size of the deposit now confirmed, Strike is planning to further investigate the commercial options and requirements for developing a mining operation of between 40,000 – 60,000 tpa of graphite concentrate (which is typical of the production profiles being considered by many other ASX listed graphite developers), to be followed thereafter by a scoping study.

Maiden JORC Mineral Resource

CSA Global Pty Ltd (**CSA Global**) was engaged by Strike to complete a Mineral Resource Estimate (MRE) for graphite mineralisation at the Project.

A total of 9 reverse circulation (**RC**) holes for 618 metres and 1 diamond hole for 117.2 metres have been drilled and assayed for graphite content at the Project. The MRE is based upon data obtained from these drill holes. The mineralisation wireframe was modelled using a nominal lower cut-off grade of 5% TGC. A total of 99.1 metres of diamond core and 420 metres of RC sampling lie within the interpreted mineralisation zone.

The model is reported from all estimated blocks within the >5% TGC graphitic schist mineralisation domain and classified as Inferred[2]. The results of the CSA Global MRE are presented in Table 1 with full details outlined in CSA Global's Burke Graphite Project MRE Technical Summary (dated 9 November 2017), attached as Annexure A of this announcement (**CSA Global MRE Technical Summary**). ASX Listing Rule 5.8.1 disclosure requirements for a first-time disclosure of Inferred Mineral Resources in relation to a material mining project are presented in the CSA Global MRE Technical Summary.

Table 1: Burke Graphite Project Mineral Resource Estimate Results

Classification	Weathering State	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Mt)	Density (t/m^3)
Inferred	Oxide	0.5	14.0	0.1	2.2
	Fresh	5.8	16.2	0.9	2.4
Inferred	**Total Oxide + Fresh**	**6.3**	**16.0**	**1.0**	**2.4**

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

Within the mineralisation envelope there is included higher grade material of 2.3 million tonnes @ 20.6% TGC (with a TGC cut-off grade of 18%) for 464,000 tonnes of contained graphite which will be investigated further [3]

2 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC): http://www.jorc.org/docs/jorc_code2012.pdf

3 Refer Grade Tonnage Data in Table 2 of CSA Global's MRE Technical Summary

The mineralisation wireframe was modelled by joining polygons based upon geological knowledge of the deposit, derived from drill hole logs and assay results, surface mapping of the graphitic outcrop extent and analysis of satellite imagery.

The mineralisation has been extended to a nominal depth of 130 metres below topographic surface in the southern parts of the deposit, being roughly 30 metres down dip of the drilling data. In the narrower northern part of the deposit, the mineralisation is extended to roughly 115 metres below surface or roughly 20 metres past drill data.

Maiden Drilling Programme

A maiden drilling campaign was undertaken by Strike to test the graphite mineralisation extension in the key Burke tenement EPM 25443. Drilling commenced on 24 April and was completed on 14 May 2017.

Total metres drilled were 735.2 metres (618 metres in 9 RC holes and 117.2 metres in one diamond core hole) spread across four cross-sections over a strike length of 500 metres (refer *Figure 2*).

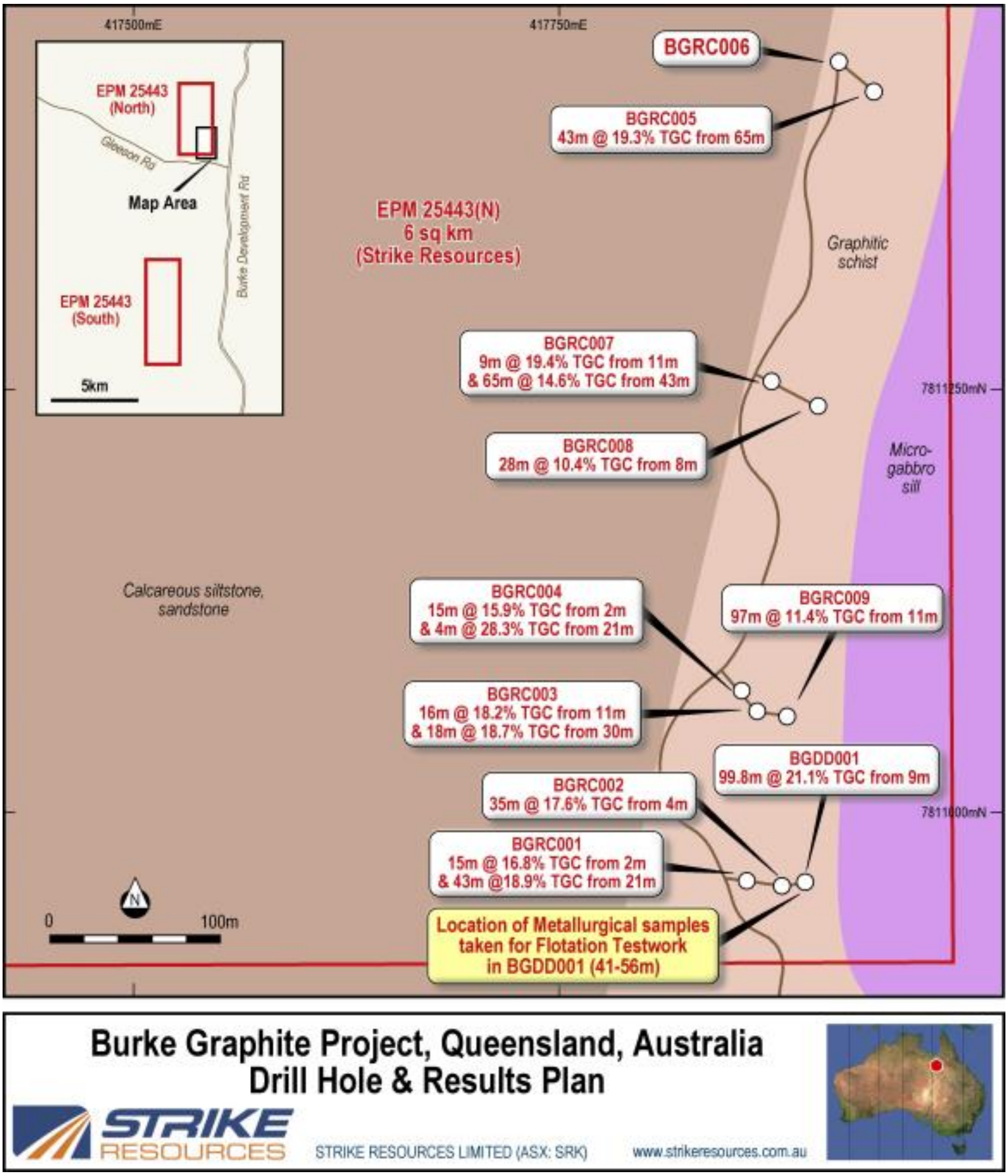

Figure 2 - Location Plan for April/May 2017 Drilling, including location of core samples used for testwork

Drilling has shown the continuity of high grade (>10%) graphite mineralisation over 500 metres along strike in the NE-SW direction with mineralisation open in both directions.

Drill hole BGDD001 was designed to drill through the full graphite mineralised sequence and intersected **99.8 metres @ 21.1% TGC from 9 metres,** giving an estimated true thickness of the graphitic schist of approximately 75 metres (refer *Figure 3*).

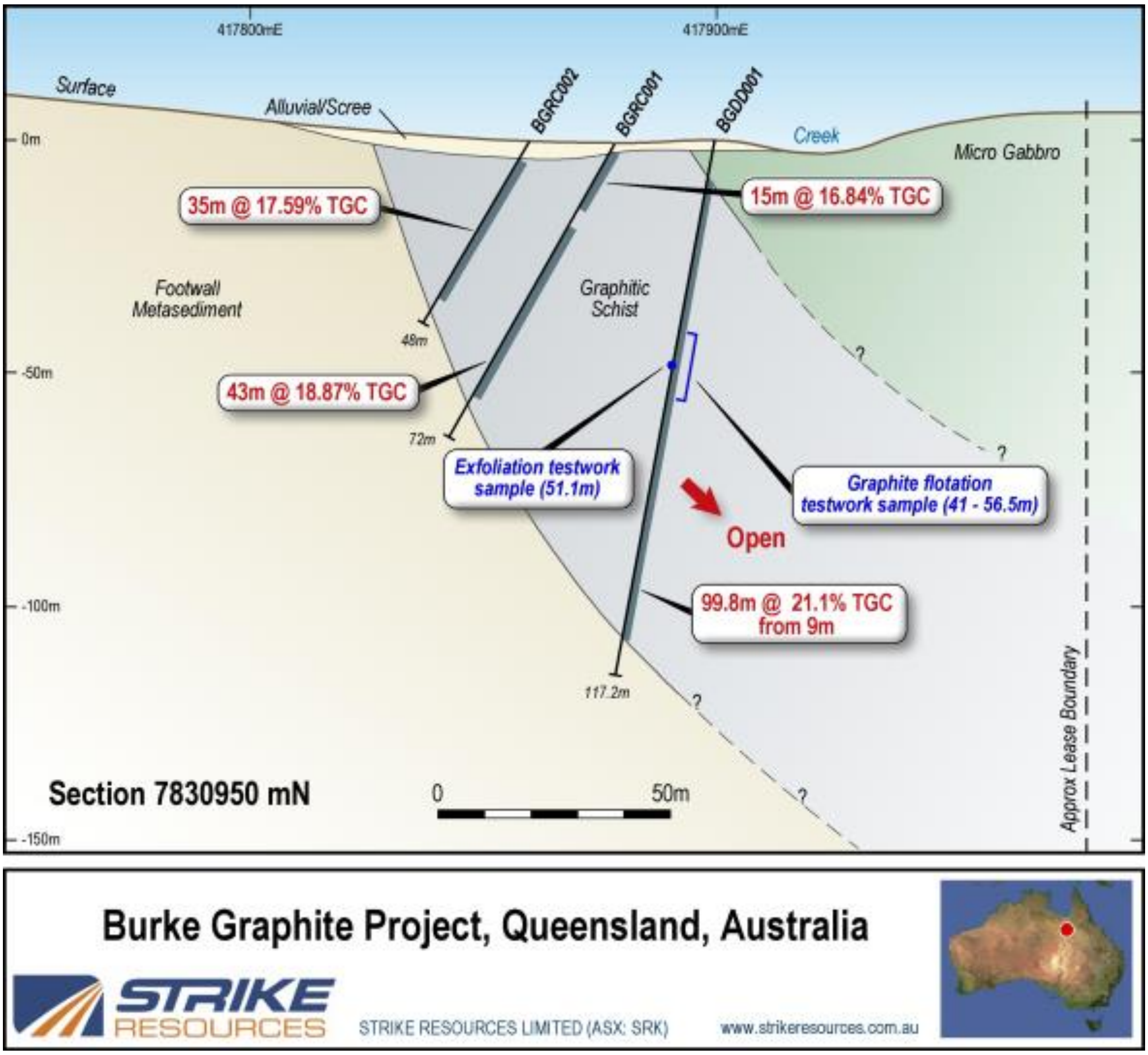

Figure 3 - Cross-Section of Drill-Hole Intersections at BGRC001, BGRC002 and BGDD001

As can be seen from the cross section above (in *Figure 3*), the zone of high grade graphite mineralisation is approximately 75m wide and commences at surface, dipping to the east and extending at least to 100 metres in depth.

Results from the 9 RC holes which encountered extensive zones of very high-grade graphite mineralisation (refer Table 3), include apparent widths of [4]:

- BGRC001: 15m @ 16.8% TGC from 2m and 43m @ 18.9% TGC from 21m
- BGRC002: 35m @ 17.6% TGC from 4m
- BGRC003: 16m @ 18.2% TGC from 11m and 18m @ 18.7% TGC from 30m
- BGRC004: 15m @ 15.9% TGC from 2m, and 4m @ 28.3% TGC from 21m
- BGRC005: 43m @ 19.3% TGC from 65m
- BGRC007: 9m @ 19.4% TGC from 11m and 65m @ 14.6% TGC from 43m
- BGRC008: 28m @ 10.4% TGC from 8m
- BGRC009: 97m @ 11.4% TGC from 11m

4 Refer also Strike's ASX Announcement dated 13 June 2017: Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project

The composited graphite intersections encountered are reported in Table 3.

Table 3: Burke Graphite Project - Significant Intersections Encountered (April/May 2017)

Drill Hole ID	FROM	TO	INTERSECTION	GRADE
	Metres	Metres	Metres	% TGC
BGRC001	**2**	**17**	**15**	**16.8%**
	21	**64**	**43**	**18.9%**
BGRC002	**4**	**39**	**35**	**17.6%**
BGRC003	**11**	**27**	**16**	**18.2%**
	30	**48**	**18**	**18.7%**
BGRC004	**2**	**17**	**15**	**15.9%**
	21	25	4	28.3%
BGRC005	**65**	**108**	**43**	**19.3%**
BGRC007	11	20	9	19.4%
	43	**108**	**65**	**14.6%**
BGRC008	**8**	**36**	**28**	**10.4%**
BGRC009	**11**	**108**	**97**	**11.4%**
BGDD001	**9**	**108.8**	**99.8**	**21.1%**

Notes:

- *Intersections reported only if greater than 2 metres width and 10% or higher TGC.*
- *Intersections greater than 10 metres width are seen as highly significant and shown as **bold** in table above.*
- *BRG006 encountered graphite mineralisation, but below minimum 10% TGC reporting threshold.*

All RC holes were inclined at 60 degrees and the core hole was inclined at 80 degrees. Downhole deviation (GYRO) survey was performed on all holes and a downhole geophysical survey performed for diamond core hole BGDD001. Details of the collar location, azimuth, depth are reported in Table 4.

Table 4: Burke Graphite Project - Drillhole Collars (April/May 2017)

Hole ID	East	North	Elevation	Inclination	Azimuth(Grid)	Final Depth
	GDA94-MGA Zone 54		AHD	Degrees	Degrees	Metres
BGRC001	417873.8	7830952.7	141.4	-60	289	72
BGRC002	417860.7	7830957.1	142.1	-60	288	48
BGRC003	417867.1	7831059.1	142.3	-60	293	54
BGRC004	417852.3	7831066.6	142.6	-60	297	30
BGRC005	417937.0	7831423.9	146.5	-60	286	108
BGRC006	417910.8	7831441.3	148.1	-60	104	24
BGRC007	417868.8	7831254.9	146.7	-60	110	108
BGRC008	417901.0	7831237.8	143.1	-60	112	66
BGRC009	417869.0	7831058.1	142.2	-60	114	108
BGDD001	417894.8	7830945.7	140.5	-80	286	117.2

For further details, refer Strike's ASX announcements dated:

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

Burke Graphite – Lithium-ion Battery Usage

Graphite is an important component in the manufacture of lithium-ion batteries (there is typically at least 10 times more graphite than lithium by weight in a lithium-ion battery). The use of lithium-ion batteries (and hence the demand for graphite) is expected to dramatically increase over the coming years as environmental and regulatory issues force vehicle manufacturers to move away from fossil fuel-powered engines. In addition, the massive growth of solar, wind and other renewable power sources requires a commensurate increase in the use of grid storage batteries in order to smooth the impact of irregular power supply from these sources.

To test the potential suitability of the Burke graphite for use in lithium-ion batteries (and other applications), an industry standard graphite flotation process was applied to core samples taken at a depth of 41.0 – 56.5 metres from diamond drill hole BGDD001 (refer *Figures 2* and *3*).

The flotation tests conducted by conducted by Independent Metallurgical Operations Pty Ltd (**IMO**) confirmed that a concentrate of purity **in excess of 95% and up to 99% Total Graphitic Carbon** in individual size fractions can be produced using a standard flotation process, where 95% purity is typically considered as the threshold for saleable graphite concentrate.

Of particular note is the distribution of flake sizes produced from the flotation, where the majority (67.9%) of the resulting flake graphite material is characterised as "ultra-fine" (flakes less than 38 microns in size). High purity ultra-fine flake graphite material can be particularly suited for use in lithium-ion batteries, which typically use graphite particle sizes of between 5 – 25 microns for anode material. Strike is therefore encouraged by these initial results.

Burke Graphite – Graphene Production Potential

Graphene is a recently discovered "wonder material" that offers tremendous opportunities in a range of industries, possessing exceptional qualities of strength, electrical and thermal conductivity and impermeability.

Graphene is technically defined as a single atom layer of crystalline carbon in a two dimensional 'honeycomb' type structure, but the term "Graphene" is often extended to include material made up of multiple stacked single layers of (single layer) Graphene. Material comprising up to 10 layers of Graphene is sometimes referred to as "Few Layer Graphene" (**FLG**), whereas material with between 10–150 layers of Graphene is known as "Graphene Nano Platelet" (**GNP**).

As for single layer Graphene, both FLG and GNP exhibit far superior properties of strength and conductivity when compared to natural graphite and are expected over time to be used in a wide variety of commercial applications.

There are a number of different processes currently being used to create Graphene from natural graphite. In a single test undertaken on a sample of core taken at 51.1 metres depth from diamond drill hole BGDD001 (refer *Figures 2* and *3*), a process known as "Electrochemical Exfoliation" (**ECE**) was successfully used at Metallurgy Pty Ltd (subsidiary of IMO) to produce pure GNP material from raw Burke graphite.

In ECE, a lump of graphite is inserted in a chemical solution and an electric current is passed through the solution, using the graphite as an anode. Layers of Graphene then "peel off" and can be collected through a relatively simple process.

The ECE process is relatively low cost and environmentally friendly compared to other processes - yet it can produce very high purity Graphene. Strike is therefore very pleased that the exceptionally high-grade (~20% TGC) and natural conductivity of the Burke graphite allows it to be used directly as an anode in the ECE process, without the need for any grinding, flotation or other costly processing steps.

The production and composition of the GNP material produced by the ECE process was independently confirmed using standard Atomic Force Microscopy (**AFM**) and Raman Spectroscopy tests respectively.

For further details, refer Strike's ASX announcement dated 16 October 2017: Burke Graphite Project - Metallurgical Testwork Results.

Next Steps - Further test-work, and drilling to support an economic appraisal on the Burke Graphite Project

The Burke Graphite Project is located in the safe and mining friendly Queensland jurisdiction with proximity to established transport and supply infrastructure, whilst the shallow nature of the deposit and its exceptionally high grades of graphite are seen as significant benefits over other projects worldwide.

The initial test-work results on the Burke graphite have been highly encouraging, in relation to the potential commercial applications of Burke graphite in the lithium-ion battery and newly emerging Graphene markets.

Strike is therefore planning to investigate the commercial options and requirements for developing a mining operation of between 40,000 – 60,000 tpa of graphite concentrate, which is typical of the production profiles being considered by many other ASX listed graphite developers.

To this end, Strike plans to now undertake further test-work to:

- Determine the particular types of batteries for which the Burke graphite is most suited and compare with other commercially available graphite. This test-work will involve the laboratory manufacture, load and cycle testing of batteries using graphite taken from the Burke Project;
- Optimise the Electrochemical Exfoliation (ECE) process used in the test-work and examine the potential for using ECE as a process for producing high quality Graphene Nano Platelet (GNP), Few Layer Graphene (FLG) and/or single layers of Graphene in commercial quantities.

Further drilling will also likely be undertaken as a pre-cursor to commencing a mining scoping study.

About the Burke Graphite Project[5]

Strike's Burke Graphite Project (Strike 60%) 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) (refer *Figure 4*).

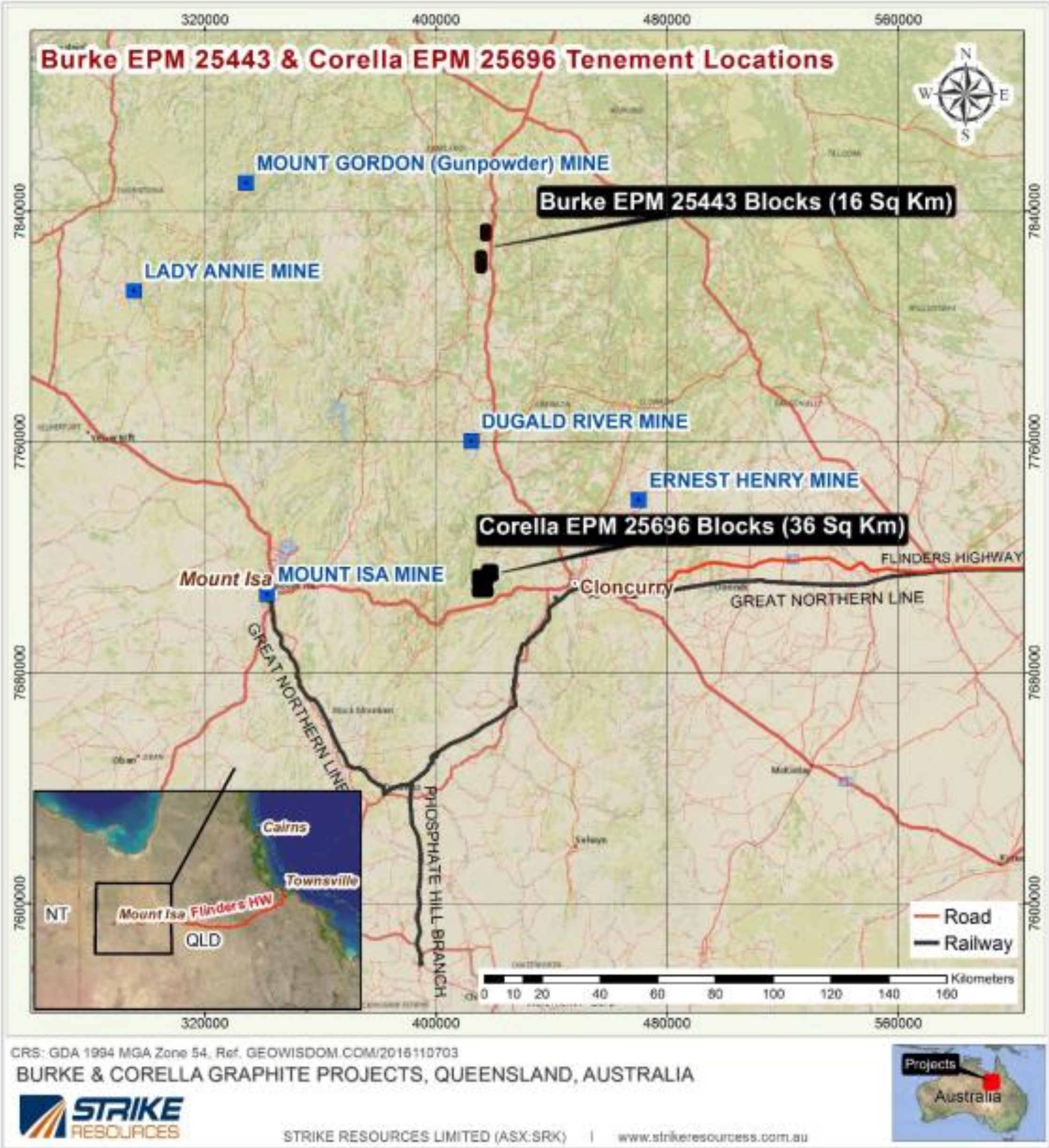

Figure 4 - Burke Graphite Project Tenement Location in North Central Queensland

The Burke graphite occurrence was identified by previous exploration dating back to the 1970's and is hosted by a mapped graphitic schist[6] as a sub unit of the Corella Formation within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within Burke tenement EPM[7] 25443 are intruded by the Black Mountain (1685-1640Ma) gabbro and sills with subsequent metamorphism to amphibolite grade during the Isan Orogeny (1600-1580Ma). The Corella tenement EPM 25696 (~36km^2) also covers a sequence of mapped graphitic schists within the Corella Formation which have been intruded by gabbro dykes and sills and with subsequent metamorphism to amphibolite grade during the Isan Orogeny.

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

6 Reference: Queensland Department of Natural Resources and Mines

7 EPM means exploration permit for minerals

The key Burke tenement EPM 25443 (~16km^2) comprises two blocks with the northern block (6km^2) being immediately adjacent to the Mt Dromedary Graphite Project (refer *Figure 5*) held by Novonix (ASX:NVX).

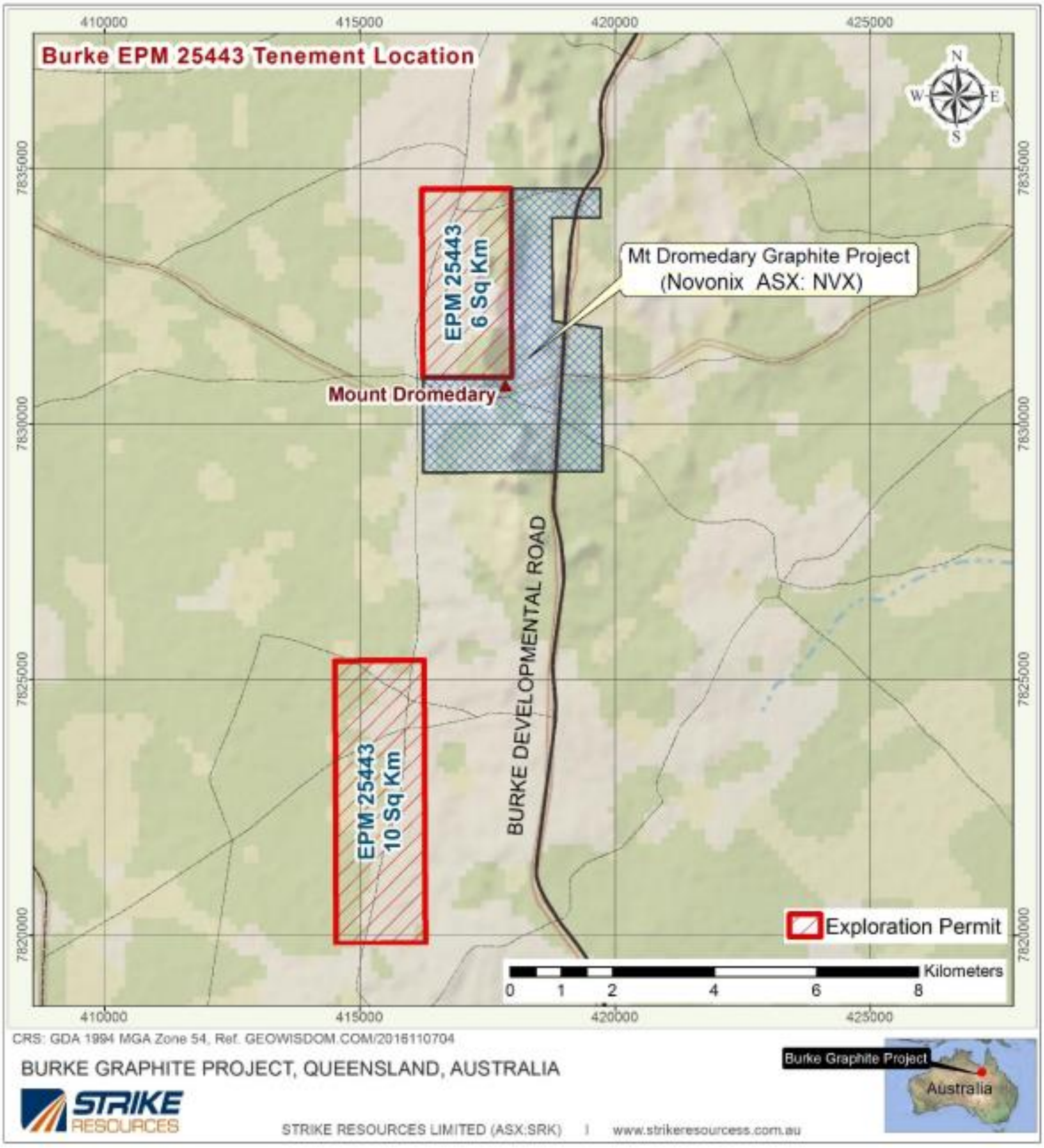

Figure 5 – Burke Tenement EPM 25443 Location

FOR FURTHER INFORMATION

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company and owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and is currently developing its Burke Graphite Project in Queensland and lithium exploration tenements in Western Australia.

JORC CODE (2012) COMPETENT PERSONS' STATEMENTS

The information in this document that relates to Exploration Results 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.

The information in this document that relates to metallurgical test work is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of Independent Metallurgical Operations Pty Ltd, who has been engaged by Strike Resources Limited to provide metallurgical consulting services. Mr Adamini 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.

The information in this announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to in situ Mineral Resources for the Burke Graphite Project is based on information compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Dr Scogings 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.

FORWARD LOOKING STATEMENTS

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

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MEMORANDUM

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To: William Johnson

Cc: Peter Smith

Date: 9 November 2017

From: Grant Louw

CSA Global Report №: R380.2017

Re: **Strike Resources Burke Graphite Project Mineral Resource Estimate Technical Summary**

TECHNICAL SUMMARY

Introduction

CSA Global Pty Ltd ("CSA Global") was engaged by Strike Resources Ltd ("Strike") to complete a Mineral Resource estimate ("MRE") for graphite mineralisation at their Burke Graphite Project ("the Project"). The Project is located on their Burke Property in north-central Queensland. The MRE is hosted within graphitic schist sub units of the Proterozoic age Corella Formation of the Mary Kathleen Group.

The Mineral Resource estimate is reported and classified in accordance with the JORC Code[1] and is shown in Table 1.

Table 1 Burke Graphite Project Mineral Resource estimate October 2017

JORC Classification	Weathering State	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Mt)	Density (t/m³)
Inferred	Oxide	0.5	14.0	0.1	2.2
	Fresh	5.8	16.2	0.9	2.4
Inferred	Total Oxide + Fresh	6.3	16.0	1.0	2.4

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

Competent Person's Statement

The information in this announcement that relates to in situ Mineral Resources for the Burke Graphite Project is based on information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this announcement in the form and context in which it appears.

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

ASX Listing Rule 5.8.1 Summary

The following summary presents a fair and balanced representation of the information contained within this technical summary report:

- Graphite mineralisation occurs within steep dipping graphitic schists.
- Samples were obtained from reverse circulation (RC) and diamond (DD) drilling. The quality of drilling and assaying was of an acceptable standard for use in a Mineral Resource estimate to be reported in accordance with the JORC Code.
- Graphitic carbon was analysed by a standard induction furnace infrared absorption method at a laboratory in Australia.
- Grade estimation was completed using inverse distance weighting to the power of two (ID2) methods, and checked using ordinary kriging (OK).
- The Mineral Resource was estimated within a constraining wireframe solid using a nominal 5% TGC cut-off within geological boundaries. The resource is quoted from all classified blocks within this wireframe solid.
- The estimate was classified as Inferred based on surface mapping, drill hole sample assay results, drill hole logging and a combination of measured and assigned density values. Roughly 20% of the interpreted mineralisation is extrapolated.
- Clause 49 of the JORC Code requires that industrial minerals must be reported "in terms of the mineral or minerals on which the project is to be based and must include the specification of those minerals" and that "It may be necessary, prior to the reporting of a Mineral Resource or Ore Reserve, to take particular account of certain key characteristics or qualities such as likely product specifications, proximity to markets and general product marketability." Therefore, the likelihood of eventual economic extraction was considered in terms of possible open pit mining, likely product specifications, possible product marketability and potentially favourable logistics. It is concluded that the Burke Graphite Project constitutes an industrial Mineral Resource in terms of Clause 49.

Geology

The interpreted mineralised graphitic schist units strike roughly north-south, and are upright to steeply dipping to the east. The modelled mineralisation on the Strike tenement has an approximate strike length of 550 m with a nominal true width between 20 m and 60 m. The graphite schist is well foliated, soft, dark grey in colour and is generally fine grained, with foliation defined by small flakes of graphite and muscovite. Coarse flake graphite occurs within thin veinlets that may be structurally controlled. Outcrops are characterised by brown and red-brown staining, probably from the oxidation of sulphide minerals, plus minor secondary carbonates.

Mineral Resource Estimate

A total of 9 RC holes for 618 m and 1 DD hole for 117.2 m have been drilled and assayed for graphite content at the Project. The MRE is based upon data obtained from these drill holes. The mineralisation wireframe was modelled using a nominal lower cut-off grade of 5% Total Graphitic Carbon ("TGC"). A total of 99.1 m of DD core and 420 m of RC sampling lie within the interpreted mineralisation domain.

The extent of the interpreted mineralised graphitic schist domain are limited by the tenement boundary to the south, by intrusive gabbroic / doleritic units, and by poorly graphite mineralised mica schist units. The eastern side of the deposit is limited by a micro gabbro intrusion, while an interpreted dolerite dyke partially limits the western extent of the mineralisation domain, and is then interpreted to cross cut the mineralised domain (Figure 1 and Figure 3).

An based of oxidation zone weathering surface (Figure 2) has been modelled based on drill hole lithological logging information, and DD drill hole photography. An overburden surface wireframe was also modelled based on lithological logs. A Shuttle Radar Topography Mission (SRTM) topographic surface was supplied by Strike and used to limit the modelling.

The mineralisation wireframe was created by joining polygons based upon geological knowledge of the deposit, derived from drill hole logs and assay results, surface mapping of the graphitic outcrop extent and analysis of satellite imagery.

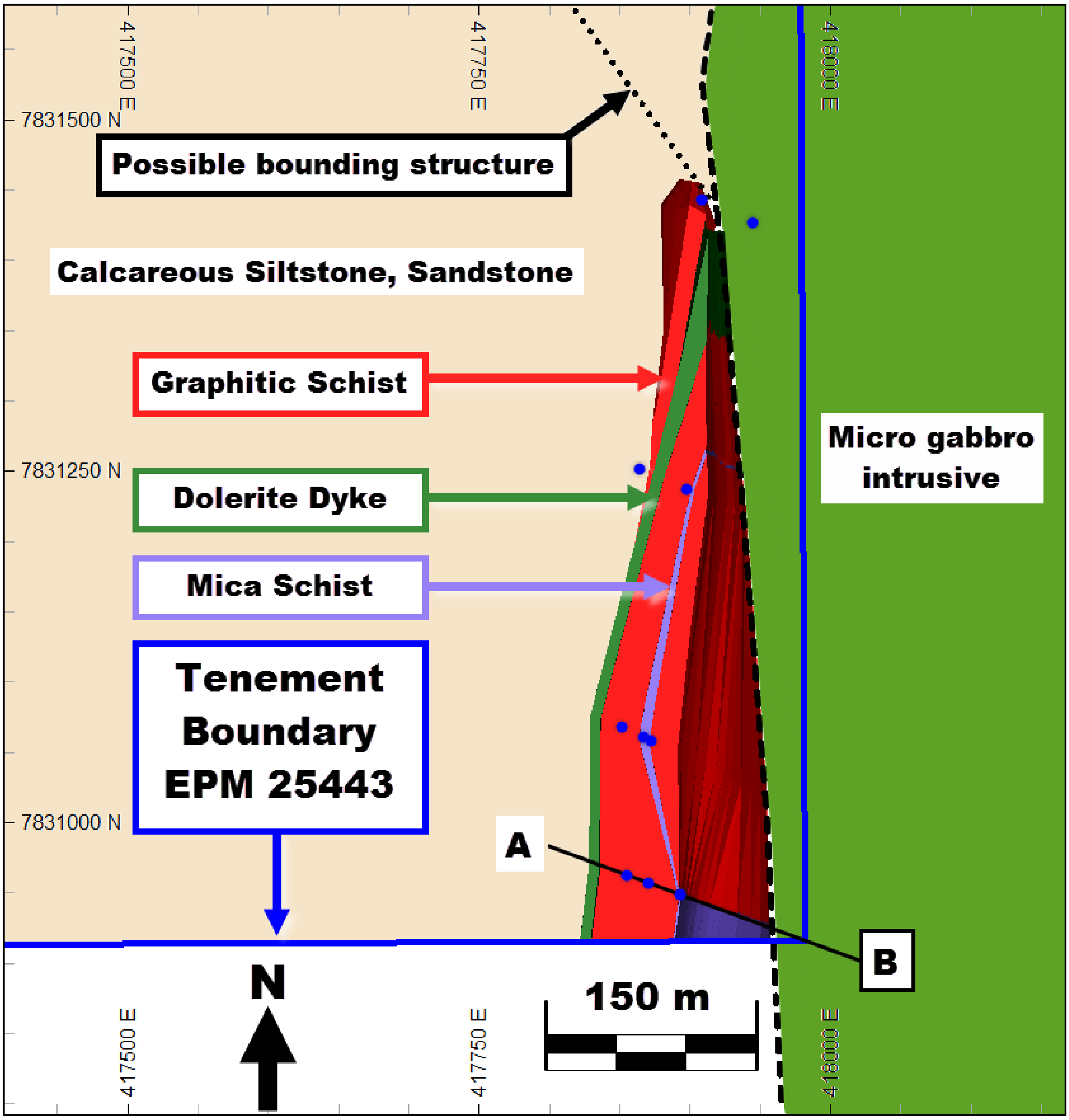

Figure 1 *Plan view of modelled graphitic schist showing location of cross section. Drill collars blue dots.*

The mineralisation has been extended to a nominal depth of 130 m below the topographic surface in the southern parts of the deposit, being roughly 30 m down dip of the drilling data. In the narrower northern part of the deposit, the mineralisation is extended to roughly 115 m below surface or roughly 20 m past drill data.

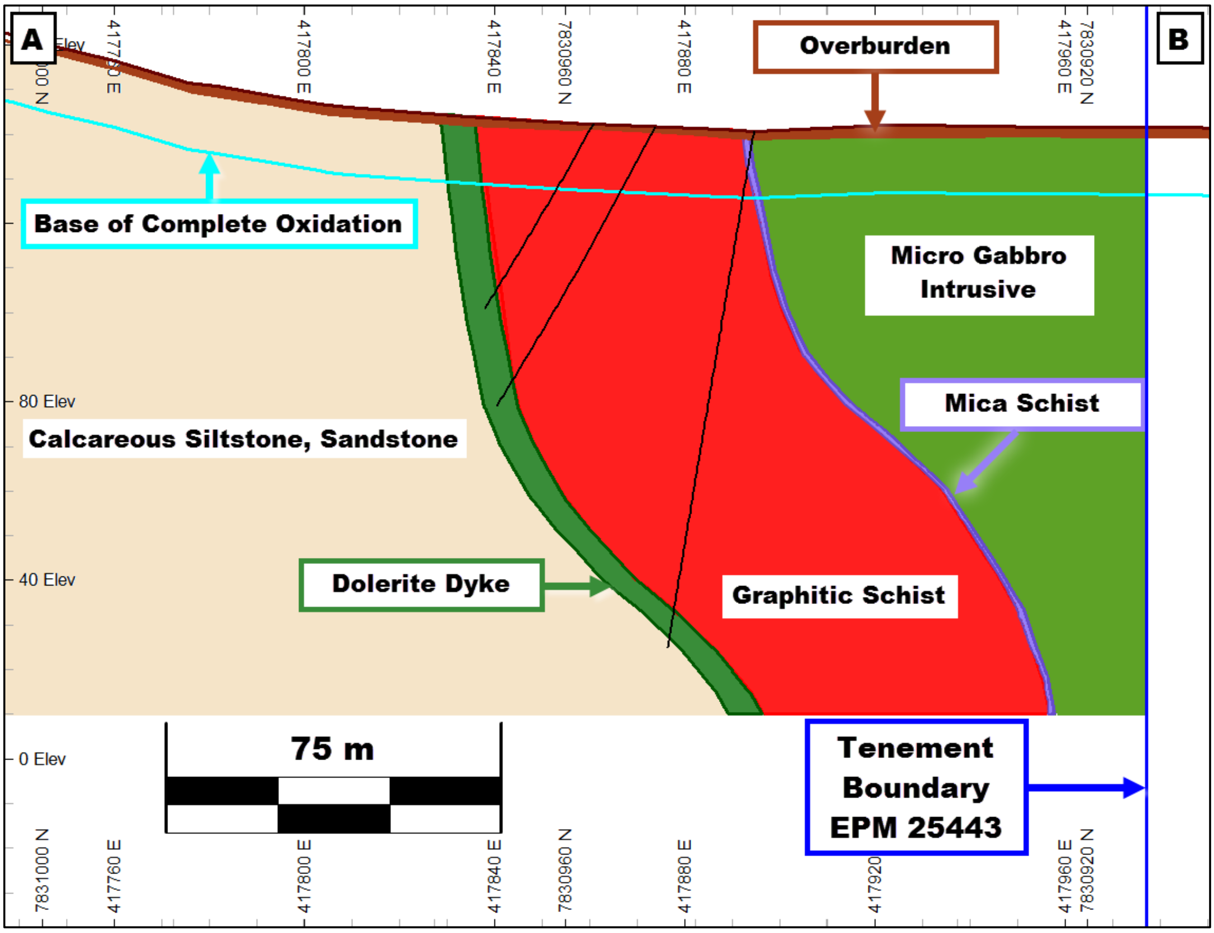

Figure 2 Schematic cross section through deposit, with section line as indicated in plan view (Figure 1)

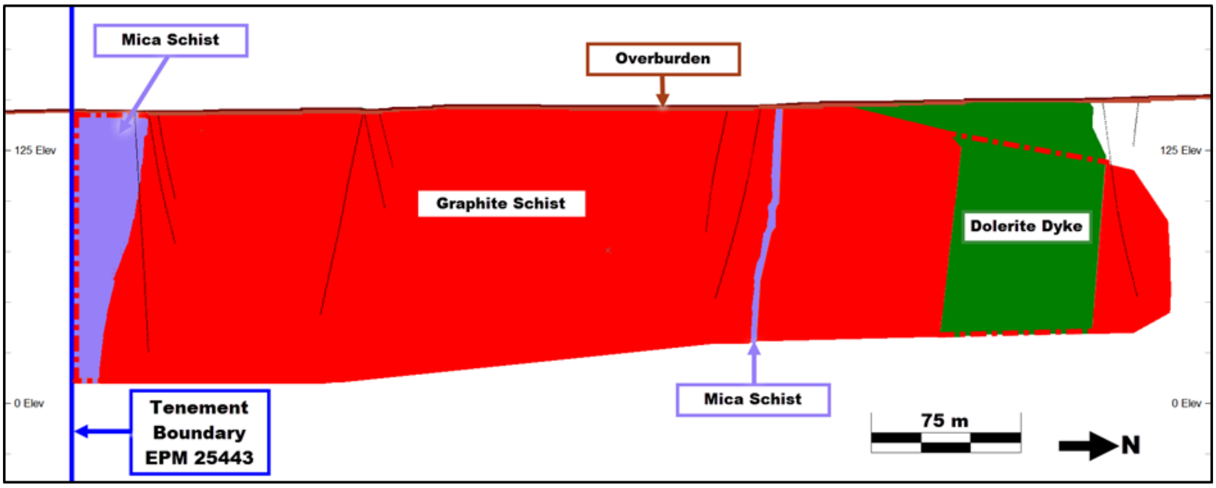

Figure 3 North-South long section schematic view

Quality Control (QC) measures employed to ensure the accuracy and precision of the drill sample analysis included the insertion of field duplicates (Figure 4), certified reference materials (CRM) and blanks to the sample stream. Analysis of the laboratory results from the various QC measures showed a satisfactory performance of the laboratory with accuracy and precision within reasonable limits. This demonstrated that the sample data is of reasonable quality and may be used in the MRE.

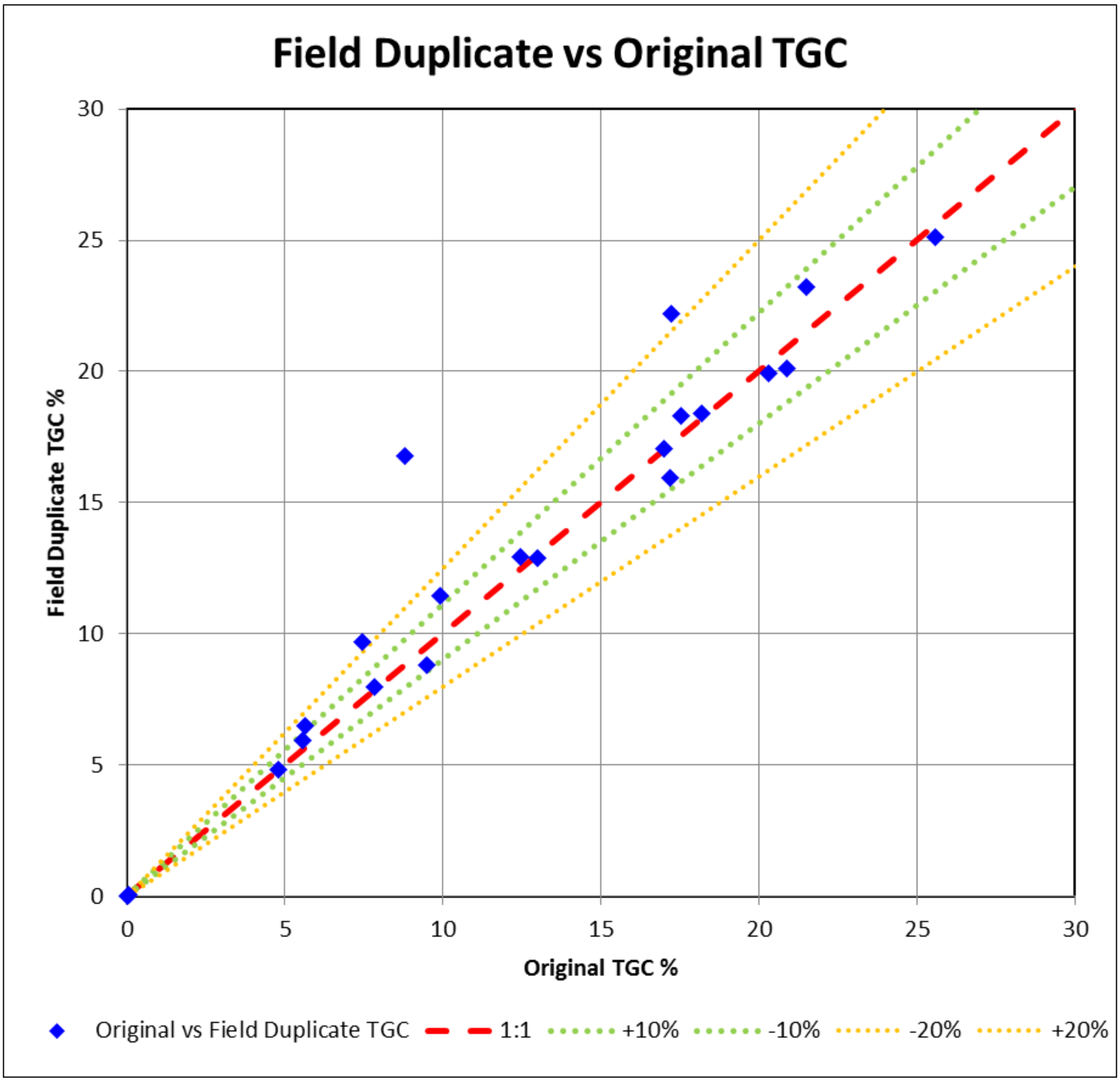

Figure 4 Scatter Plot of field duplicates versus original assay

Drill hole sample assay results were subject to detailed statistical and spatial (variography) analysis based on the interpreted geological and mineralisation domains. Statistical analysis of TGC grades within the interpreted mineralisation domain showed a reasonably normal population distribution, with a mean grade of 16.1% TGC (Figure 5). No balancing cuts of the data were deemed necessary to avoid estimation bias during grade estimation.

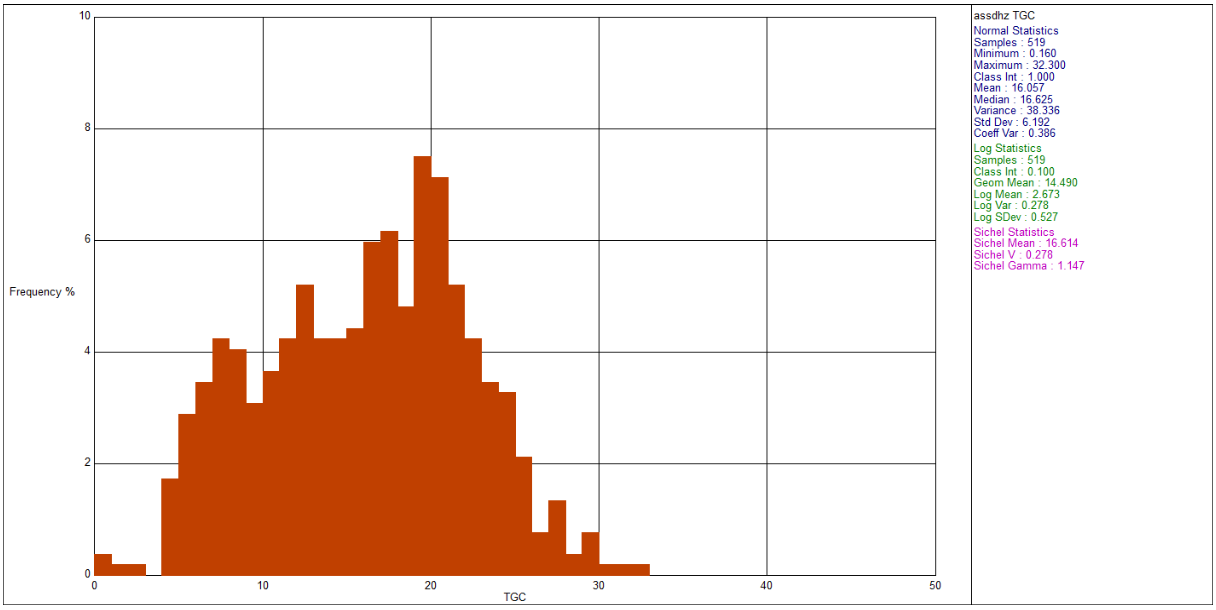

Figure 5 Histogram of TGC% within interpreted mineralisation domain

The variogram models were not considered robust, due to insufficient data along strike and down dip to adequately inform the spatial variability analysis. Therefore the 1 m composited sample grades for TGC, were interpolated into the block model using ID2 as the primary estimation method. The parameters obtained from the variogram modelling were used in an OK check estimate completed for validation purposes.

The block model was constructed using Datamine Studio software with a parent cell size of 10 m (E) by 50 m (N) by 4 m (RL), and sub-celling down to a minimum size of 2 m (E) by 5 m (N) by 1 m (RL) for domain volume resolution. The model was flagged with the interpreted mineralisation and geological domains in the same way as the drill data. Grade estimation was completed in three search passes with the search ellipse orientated striking north south and dipping 70° to the east based on the overall geometry of the interpreted mineralisation. For the first search pass the major search axis was 190 m, the semi-major axis was 35 m and the minor axis 5 m, with a minimum of 12 and a maximum of 25 samples. A maximum of 5 samples per drill hole was required for a valid block estimate. The search volume doubled for the second search pass with the minimum and maximum number of samples required reduced to 10 and 20 respectively. The third search pass volume was increased twenty-fold to ensure all blocks were estimated with a further reduction in the required number of samples to 8 minimum and 15 maximum. No octant based searching was used and cell discretisation was 3 (X) x 3 (Y) x 5 (Z).

Density values were assigned to the block model based on analysis of measurements taken in the two weathering state domains. Density measurement consisted of 44 weight-in-air, weight-in-water measurements, conducted on the DD core. These physical measurements were compared to the geophysical downhole density log for the diamond hole and found to be very similar with a strong correlation.

The block model was validated against the drill data, visually along the drill sections and along strike, as well as graphically and statistically. Trend plots were generated to compare drill hole and block model grades on a local basis, by northing (Figure 6), easting and elevation. The validations showed that the model has reasonably followed the grade trends in the data with the inevitable smoothing and volume variance effects inherent in modelling. The OK check estimate was within less than two percent difference from the ID2 primary estimate.

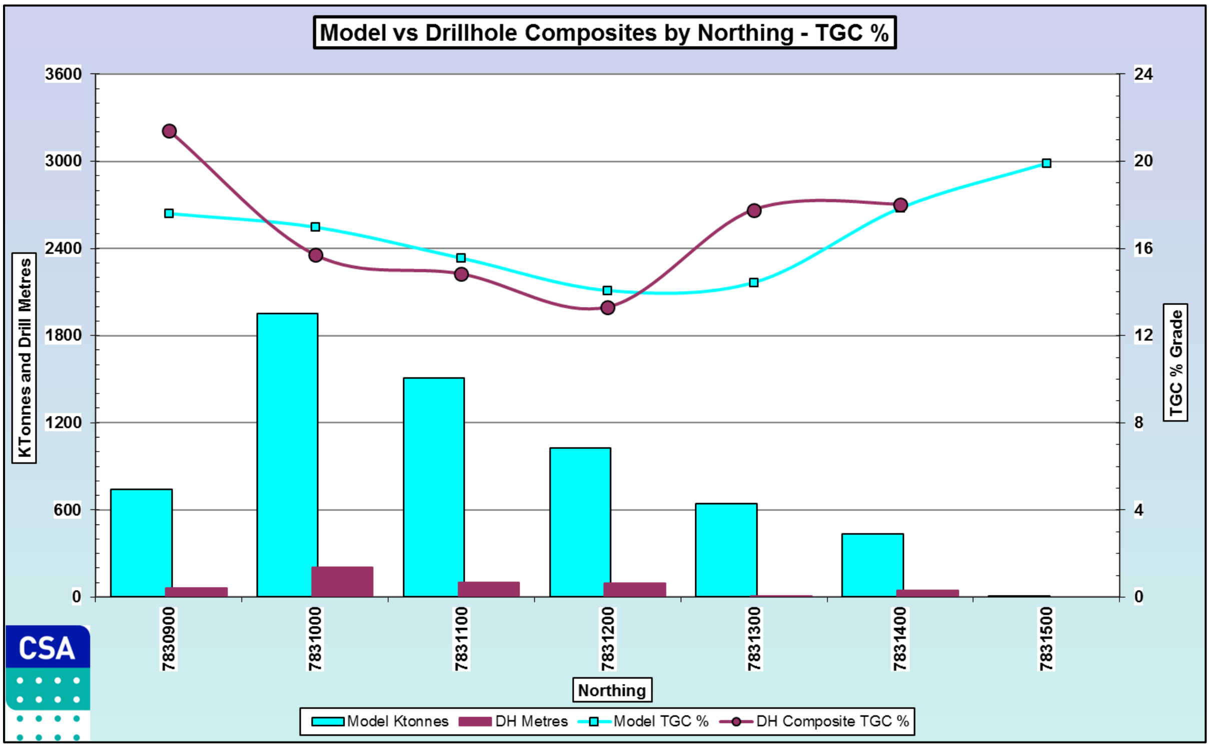

Figure 6 Trend plot by northing model versus drill hole data

Grade Tonnage Data

A grade tonnage table for the classified Mineral Resource at the Burke Graphite Project is presented in Table 2.

Table 2 Grade tonnage table for Burke Graphite Project

TGC % Cut	Volume (m3)	Tonnes (t)	TGC (%)	Contained Graphite Tonnes
24	3,000	7,000	24.5	2,000
21	400,000	950,000	21.8	208,000
18	940,000	2,260,000	20.6	464,000
15	1,570,000	3,740,000	18.9	708,000
12	2,070,000	4,950,000	17.7	874,000
9	2,550,000	6,070,000	16.4	994,000
6	2,650,000	6,310,000	16.1	1,013,000
3	2,650,000	6,320,000	16.0	1,014,000
0	2,650,000	6,320,000	16.0	1,014,000

Petrography and Metallurgy

Petrographic examination of several core and outcrop samples showed that the graphite generally occurs as two distinct in situ populations. The major population is fine grained and generally forms discrete disseminated flakes around 30 to 100 microns in length (Figure 7), whereas a second population of flakes up to about 1 mm in length occurs in veinlets up to several mm in width (Figure 8).

It is cautioned that petrography indicates the in situ size of graphite flakes, which may not reflect the final size after crushing, milling, re-grind and flotation stages of an extractive metallurgical process such as typically used for flake graphite production.

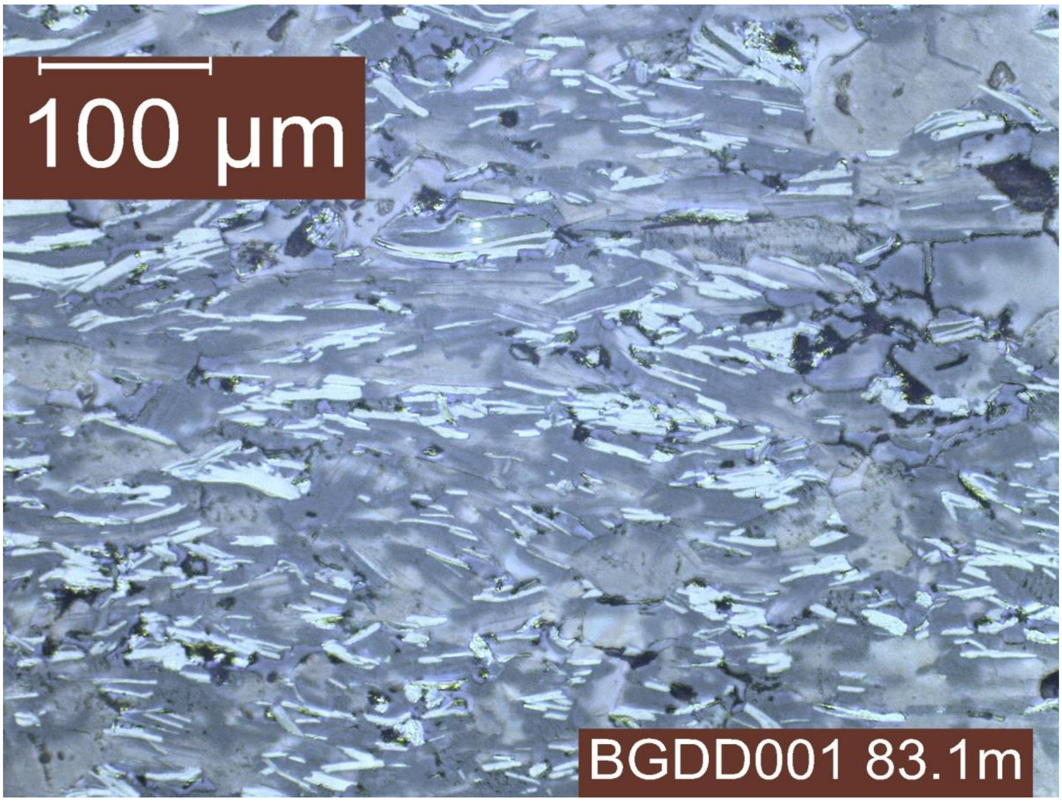

Figure 7 Photomicrograph illustrating the fine-grained graphite population in core from BGDD0001

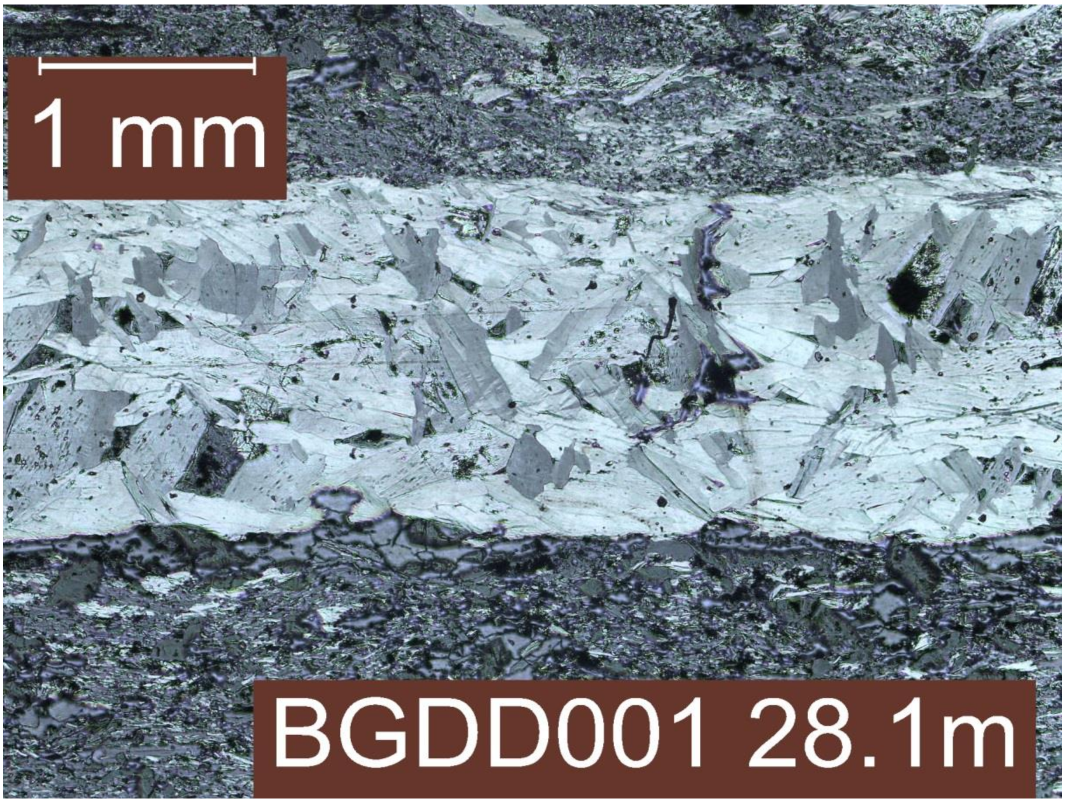

Figure 8 Photomicrograph illustrating a coarse-grained graphite veinlet hosted by fine-grained disseminated graphite in core from BGDD0001

An industry standard graphite flotation process was applied to core samples taken at a depth of 41.0 to 56.5 m from DD drill hole BGDD001, and demonstrated that an average concentrate grade of more than 95% Total Carbon may be produced at a recovery of around 87%.

Several regrind times were trialled and, with longer regrind times resulting in higher purity at reduced flake size. The final 'SF3' trial delivered approximately 6% of the flakes greater than 106 microns, 7% between 75 and 106 microns, 19% between 38 and 75 microns, and the balance being less than 38 microns (Table 3).

Table 3 Flake size distribution and purity for the SF3 trial

Size Fraction (µm)	Mass (%)	TC (%)
+106	6.1	98.6
+75	7.1	97.6
+38	19.0	97.0
-38	67.9	94.5
Total (calculated)	100.0	95.4

Strike has conducted electrochemical exfoliation tests to assess the potential for graphene production. A sample from the concentrate was tested by means of Atomic Force Microscopy and Raman Spectroscopy which indicated that 'graphene nano platelets' comprised of approximately 40 graphene layers may be made (refer to Strike announcement of 16 October 2017 "Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production").

A key risk for the project is the production of saleable graphite concentrates, given that the test results are based on a single core intersection. In terms of the JORC Code Clause 49, this uncertainty translates into classification of the Mineral Resource as Inferred.

Recommendations

CSA Global recommends the following actions are completed to add confidence to the Mineral Resource and increase geological understanding of the deposit:

- Additional drilling is required on infill sections and on existing sections where the orientation of drill holes is not optimal with respect to the geometry of mineralised units, to provide sufficiently close spaced data for reliable spatial continuity analysis and to improve confidence in knowledge of the geological and grade continuity.
- Sulphur should routinely be analysed for, as this, in concert with petrographic examination will assist in definition of weathering boundaries and help quantify likely sulphide levels in the deposit.
- The majority of additional drilling should be by means of DD drilling as additional core is required for petrographic examination, and metallurgical testing of potential along-strike and across-strike variability in metallurgical performance.
- Additional thin section petrographic work is recommended for all core obtained to reliably domain the deposit prior to remodelling and metallurgical sample selection. This includes domaining by weathering state, in situ flake size and possible liberation characteristics.
- Additional petrographic work should be considered to establish a better understanding and interpretation of the weathering profile.
- Metallurgical work should be undertaken on all weathering state material types to test the viability of different materials as a product source, given that there is the possibility for variable liberation and potential product characteristics.
- Binding marketing agreements should be sought with prospective customers.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	**Diamond Drill Core** Detailed geochemical sampling was routinely conducted on 1 m intervals of quarter-split Triple Tube HQ drill core. The Triple Tube Drill Core was initially split 50% using a diamond core saw cutting machine. Half-split core is being retained initially as a visual reference or for use as a bulk metallurgical sample. The remaining half-core was then split 50% into quarter-core, again using a manual core saw. The quarter-split core was routinely submitted for geochemical analysis. Samples were analysed for %TGC by ALS method C-IR18 and for %TC by ALS method C-IR07. Sulphur was assayed for on drill core by ALS method S-IR08. The remaining quarter-split core was used as a metallurgical sample. Selective petrological sampling of some lithological units identified in drill core was undertaken. These petrology samples are by necessity a small sample, but were selected based on being "typical" of the lithological unit from which they were collected. **Reverse Circulation** Sampling of the RC drilling was completed via a cyclone with a splitter unit attached to the drill rig, with samples taken every 1 m. Samples were analysed for %TGC by ALS method C-IR18, and for %TC by ALS method C-IR07
Drilling techniques	**Diamond Drill Core** Kelly Drilling was contracted to undertake the diamond drilling and supplied a Longyear GK850. HQ Triple Tube Drill Core was selected as the optimum sampling method for drilling the graphite mineralised zones, to maximise recovery. The method minimises disturbance to core, limiting potential losses in drilling water. Drill core was oriented with a Reflex Act III orientation tool. **Reverse Circulation** Kelly Drilling of Cloncurry was contracted to undertake the reverse circulation drilling programme in April 2017. Kelly Drilling supplied a Schramm RC rig. The reverse circulation hammer bit had a measured diameter of 123 mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4 m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods. A combined cyclone and sample splitter unit was fitted to the side of the drill rig. The syclone collected a 75% bulk sample in a big calico bag and a 25% sample in a small calico bag.
Drill sample recovery	**Diamond Drill Core** Diamond drill core recovery was routinely recorded every drill run (core barrel of 3 m), with overall recovery of > 92.5% achieved. An extensive suite of geophysical logging tools were used with sampling every 5 cm downhole for density, conductivity, gamma, resistivity, and

Criteria	Commentary
	also acoustic logs to verify the continuity of the graphite in zones of poorer recovery. **Reverse Circulation** Recovery from the Graphitic Schist zone was 100%.
Logging	**Diamond Drill Core** Core was initially cleaned to remove drill mud and greases. The core was then orientated using "Top of Core" marks from the Reflex orientation tool, marked at 1 m intervals and the core recovery recorded. The core was then photographed using high-resolution digital camera and then geologically logged. Geological logging of drill core was routinely undertaken on a systematic 1 m interval basis, recording core recovery, rock lithology, colour, minerals, texture, hardness, minerology, oxidation and graphite content. Geotechnical data was collected, including rock quality designation (RQD), fracture density and orientations of structures such as faults, fractures, joints, foliation, bedding, veins recorded. Specific gravity was measuresd using an Archimedes Principle water displacement device. The core was then split into one half and then into 2 quarters using a manual core saw. One ¼ split core was used for geochemical analysis and the other ¼ split core used for bulk variability metallurgical testing. The core was then stored in a secured container in Mt Isa. **Reverse Circulation** Geological logging of reverse circulation drill chips was routinely undertaken for each 1 m interval using similar procedures to core logging. Visual record samples were collected from the large bulk sample and contents were placed into a 20-compartment plastic tray. Each chip tray was photographed using a high-resolution digital camera.
Sub-sampling techniques and sample preparation	1 m intervals of quarter-split drill core and RC drill chips were submitted to ALS Minerals sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at ALS Minerals laboratory in Brisbane. Geochemical analysis was by analytical method C-IR 18 for total graphitic carbon, Method C-IR07 for total carbon, and method S-IR088 for total sulphur. A metallurgical sample was taken from 41–56.5 m in hole BGDD001, and consisted of a continuous sample of ¼ HQ core. The sample was used for flotation test work. A metallurgical sample was taken from 51–51.2 m in hole BGD001, and consisted of ½ HQ core. The sample was used for exfoliation test work. No work has been completed to determine if sample size is appropriate to the grain size of the material being sampled, with grain size of the graphite being determined post drilling by combination of petrology and metallurgical analysis.
Quality of assay data and	Geochemical Analysis 1 m intervals of quarter-split drill core and RC drill chips were submitted to ALS Minerals sample preparation laboratory in Mount Isa.

Criteria	Commentary
laboratory tests	Geochemical analysis was subsequently performed at ALS Minerals laboratory in Brisbane. Geochemical analysis was by analytical Method C-IR 18 for total graphitic carbon and Method C-IR07 for total carbon. The laboratory inserted its own certified reference materials (CRMs) plus blanks and completed its own QAQC. Company CRMs, duplicates and blanks were routinely inserted every 10th sample.
Verification of sampling and assaying	The QAQC protocols adopted involved routinely inserting a Graphite CRM (7 used), duplicate, or blank sample into the tag book number sequence every 10 samples. The QAQC sample density is considered to be more than adequate. Additional QAQC controls were also provided by internal laboratory repeats and standards. QC results were statistically evaluated using QAQC monitoring software. All CRMs reported within 1 standard deviation of the certified value.
Location of data points	M.H. Lodewyk Pty Ltd, licensed surveyors of Mount Isa, were contracted to accurately survey each drillhole collar to sub-metre accuracy, using a Differential Global Positioning System (DGPS) instrument, in the MGA Zone 54 projection. Downhole surveys were routinely collected every 6 m, using a Reflex Gyro after completion of the hole, with surveying carried out both going into the hole (inside of rods), and also coming out of the hole. Results were averaged to determine the final drillhole deviation information.
Data spacing and distribution	Data was routinely collected on a continuous 1 m interval basis. Samples were collected at 1 m intervals down each hole.
Orientation of data in relation to geological structure	Drill holes were designed to intersect graphite mineralisation perpendicular to strike as observed in outcrop. Geotechnical data, automatically collected by the high resolution acoustic televiewer and classified by software, confirms the foliation structures and indicate data collected from drill core is generally conformable with the schistose fabric foliation of the graphite mineralisation. Although drilled approximately perpendicular to strike, four of the holes (BGRC005, 007, 008 and 009) were drilled approximately down the interpreted dip of the graphite schist. Core orientation was routinely undertaken during drilling using a Reflex ACT III tool. The unit is attached to the top of the core inner tube barrel and initialised. The unit is removed, and the orientation marked on the top of core using a coloured paint marker or chinagraph pencil.
Sample security	Strike consultants collected all samples, retaining chain of custody until delivery to the laboratory.
Audits or reviews	No audits have been undertaken given early stage of exploration project. Strike technical staff review and implement procedures as appropriate.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and	Exploration Permit for Minerals No 25443 “Mt Dromedary” was lodged with the Queensland Government Department of Mines and Energy on 2

Criteria	Commentary
land tenure status	December 2013. The tenement was granted on 4 September 2014 to Burke Minerals Pty Ltd, for a period of five years. Strike holds a 60% interest in the license.
Exploration done by other parties	The Mount Dromedary graphite occurrences were first identified by Bill Bowes in the 1970s. Mr Bowes was the manager of the nearby Coolullah Station. A few small pits were excavated, and no further work was carried out. The Mount Dromedary area was explored by Nord Resources (Pacific) Pty Ltd (EPM 6961) from 1991 through1999. Nord collected numerous rock chips and submitted them for petrological and preliminary metallurgical appraisal by Peter Stitt and Associates. The preliminary flotation studies were encouraging and indicated 60–70% flake graphite (>75 um size), whilst the flotation techniques utilised failed to achieve suitable recoveries. CRAE Exploration then entered into a JV with Nord focusing on Copper exploration, and also did further rock chip sampling and trenching. CRAE's internal Advanced Technical Development division did a brief petrographical review which indicated the samples were predominately < 75 um. Based on this advice exploration activity by CRAE for graphite ceased.
Geology	The Mt Dromedary Graphite project on EPM25443 was identified by previous exploration dating back to the 1970s, and is hosted by a mapped graphitic schist (Qld Dept. NRM) as a sub unit of the Corella Formation, within the Mary Kathleen Group, and is of Proterozoic age. The graphitic schists within EPM 25443 are intruded by the Black Mountain (1685–1640Ma) gabbro, and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny from 1600–1580 Ma. The Corella Graphite Project on EPM 25696 also covers a sequence of mapped graphitic schists within the Corella Formation, which also have been intruded by gabbro dykes and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny from 1600–1580 Ma. At both projects the style of mineralisation sought is crystalline graphite within the graphitic schists
Drill hole Information	All relevant drill hole information has been previously reported to the ASX. No material changes have occurred to this information since it was originally reported. All relevant data has been reported.
Data aggregation methods	Not relevant when reporting Mineral Resources. No metal equivalent grades have been used.
Relationship between mineralisation widths and intercept lengths	Not relevant when reporting Mineral Resources.
Diagrams	Refer to figures within the main body of this announcement.
Balanced reporting	Not relevant when reporting Mineral Resources.

Criteria	Commentary
Other substantive exploration data	Metallurgical flotation test-work was carried out by Independent Metallurgical Operations Pty Ltd (IMO), Perth, Western Australia. IMO is an independent metallurgical contractor with specific expertise in graphite flotation test work. A metallurgical sample was taken from 41–56.5 m in hole BGDD001, and consisted of a continuous sample of ¼ HQ core. The sample was used for flotation test work. Metallurgical exfoliation test work was carried out by IMO, which has previous experience. A metallurgical sample was taken for this work from 51–51.2 m in hole BGD001, and consisted of ½ HQ core.
Further work	CSA Global recommends that infill drilling using diamond core be completed to improve confidence in geological and grade continuity as well as provide additional metallurgical samples

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	Analytical data was provided in the form of laboratory assay certificates in pdf format along with csv format files. CSA Global compiled the csv files into a MS Access database table, which was then linked to the sampling information data compiled from the individual MS Excel format drill hole logs, to provide an output query of original sample analysis results. Random checks of the data as reported in the pdf certificates was then compared with the output data query. This work confirmed that the data to be used in the grade estimation matches the original sample data. Further data output queries were generated for Strike field duplicates, standards and blank results, as well as separately for the laboratory check duplicate and standard results. Validation of the data import included checks for overlapping intervals, missing survey data, missing assay data, missing lithological data, and missing collars.
Site visits	No site visit has been undertaken at this early stage of project development. CSA Global notes that field work has been completed for Strike by an independent contractor Mr Peter Smith. If further work is completed on the project, with sufficient data then collected to allow higher confidence level classification and hence application of modifying factors in a mining study, a site visit would be required prior to reporting.
Geological interpretation	Confidence in the current geological interpretation is reflected in the classification of the Mineral Resource as Inferred. Sufficient data has been collected to imply but not verify grade and geological continuity. Drill hole intercept logging, assay results, and surface outcrop mapping have formed the basis for the mineralisation domain interpretation. Assumptions have been made on the depth and strike extents of the mineralisation based on the drilling logging and analysis results. The extents of the modelled domains are constrained by the information obtained from drill logging and analytical results. Alternative interpretations are not expected to have a significant influence on the global Mineral Resource estimate. An overburden transported layer with an average thickness of 2 m has been modelled based on drill logging and is depleted from the model.

Criteria	Commentary
	CSA Global has interpreted a weathering surface for base of complete oxidation based on drill logging data. Interpretation of the geological units at the Burke Graphite deposit has been completed by Mr Smith. These interpretations have been used as the basis for geological and mineralisation modelling by CSA Global and modified as considered appropriate based on the drill hole logging and analytical results. Continuity of geology and grade can be identified and traced between drill holes by visual and geochemical characteristics. Additional data is required to more accurately model the effect of any potential structural or other influences on the down dip and strike extents of the defined mineralised geological units. Confidence in the grade and geological continuity is reflected in the Mineral Resource classification.
Dimensions	The graphitic schist mineralisation is interpreted to have a nominal strike length of roughly 550 m on Strike's tenement. As demonstrated in diagrams in the main body of this announcement, the mineralisation interpretation is limited to the south by the tenement boundary. The mineralisation is interpreted to be approximately 60 m in true width at the southern end thinning to roughly 20 m true width in the north, interpreted to be due to the influence of the dolerite intrusive or structural influences. The mineralisation has been extended to a nominal depth of 130 m below the topographic surface in the southern parts of the deposit, being roughly 30 m down dip of the drilling data. In the narrower northern part of the deposit, the mineralisation is extended to roughly 115 m below surface or roughly 20 m past drill data.
Estimation and modelling techniques	The mineralisation has been estimated using inverse distance weighting to the power of two (ID2) using Datamine Studio RM software. This linear estimation methodology was selected in preference to ordinary kriging (OK) due to the modelled variograms not being considered reasonable. Samples were selected within the graphitic schist interpretation wireframe solid for data analysis. Statistical analysis was completed to determine if any outlier grades required top-cutting. Statistical analysis to check grade population distributions using histograms, probability plots and summary statistics and the co-efficient of variation, was completed for TGC. The checks showed there were no significant outlier grades in the interpreted graphitic schist lens. An OK grade check estimate was completed concurrently with the primary ID2 estimate in a number of estimation runs with varying parameters. Block model results are compared against each other and the drill hole results to ensure an estimate that best honours the drill sample data is reported. No mining has yet taken place at these deposits. It has been assumed that mining would be by conventional open cut methods. No other elements have been estimated into the model. Interpreted domains are built into a sub-celled block model with a 50 m N by 10 m E by 4 m RL parent block size. The search ellipsoid has been orientated based on the overall geometry of the interpreted graphitic schist. Sample numbers per block estimate and ellipsoid axial search ranges have been tailored to geometry and data density. The search ellipse is doubled for a second search pass and increased 20-fold for a

Criteria	Commentary
	third search pass to ensure all blocks are estimated. Sample numbers required per block estimate have been reduced with each search pass. Hard boundaries have been used in the grade estimate to exclude data from outside the interpreted mineralisation domain from use. Validation checks included statistical comparison between drill sample grades, and comparison of the ID2 and OK estimate. Visual validation of grade trends along the drill sections was also completed in addition to trend plots comparing drill sample grades and model grades for northings, eastings and elevation slices. These checks show reasonable correlation between estimated block grades and drill sample grades. No reconciliation data is available as no mining has taken place.
Moisture	Tonnages have been estimated on a dry, *in situ* basis, with no moisture content available for assessment.
Cut-off parameters	The lower mineralisation cut-off grade of 5% TGC for the graphitic schist corresponds to natural break in the grade population distribution and sits at about the 5th data percentile of the logged graphitic schist lithological unit. If additional infill drilling is completed, it may be feasible to define discrete higher-grade mineralisation domains within a broader lower grade halo, but at this stage of project development it was considered prudent to define the mineralisation more broadly and not exclude any mineralised material that has likely economic potential.
Mining factors or assumptions	It has been assumed that these deposits will be amenable to open cut mining methods and are economic to exploit to the depths currently modelled using the cut-off grade applied. No assumptions regarding minimum mining widths and dilution have been made.
Metallurgical factors or assumptions	Petrographic examination of several core and outcrop samples showed that the graphite generally occurs as two distinct in situ populations. The major population is fine grained and generally forms discrete disseminated flakes around 30 to 100 micron in length, whereas a second population of flakes up to about 1 mm in length occurs in veinlets up to several mm in width. An industry standard graphite flotation process was applied to core samples taken at a depth of 41.0–56.5 m from diamond drill hole BGDD001. The work demonstrated that an average concentrate grade of more than 95% Total Carbon may be produced at a recovery of around 87%. Several regrind times were trialled with longer regrind times resulting in higher purity at reduced flake size. The final ‘SF3’ trial delivered approximately 6% of the flakes greater than 106 microns, 7% between 75 and 106 microns, 19% between 38 and 75 microns and the balance being less than 38 microns size. Strike has conducted electrochemical exfoliation tests to assess the potential for graphene production. A sample from the concentrate was tested by means of Atomic Force Microscopy and Raman Spectroscopy which indicated that ‘graphene nano platelets’ comprised of approximately 40 graphene layers may be made (refer to the Strike announcement on 16th October 2017 “Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production”).

Criteria	Commentary
	A key risk for the project is the production of saleable graphite concentrates, given that the test results are based on a single core intersection. In terms of the JORC Code Clause 49, this uncertainty translates into classification of the Mineral Resource as Inferred.
Environmen-tal factors or assumptions	No assumptions regarding waste and process residue disposal options have been made. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions.
Bulk density	In situ dry bulk density values have been applied to the modelled mineralisation based on the average measured values for each of the weathering zones. Of the 44 measurements taken using the Archimedes' principle — weight in water / weight in air method on diamond drill core. Six samples were in the oxide zone. All physical measurements fell within the interpreted graphite schist mineralisation domain. The physical measurement data was compared with the downhole geophysical measurements and showed a strong correlation, with the down hole measurements being slightly higher. When comparing the physical measurement data against expectations based on knowledge of similar material types, the results are within the expected range. The density data is therefore considered suitable for an Inferred Mineral Resources. It is assumed that the use of the average measured density for each weathering zone is appropriate.
Classification	Classification of the Mineral Resource estimates was carried out taking into account the level of geological understanding of the deposit, quality of samples, density data and drill hole spacing. The Mineral Resource estimate has been classified as Inferred in accordance with the JORC Code, 2012 Edition using a qualitative approach. Overall the mineralisation trends are reasonably consistent over the drill sections. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate. No external audits have been undertaken.
Discussion of relative accuracy/ confidence	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. The Mineral Resource statement relates to a global estimate of in situ tonnes and grade.