Friday, 21 April 2017

MARKET ANNOUNCEMENT

Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

Strike Resources Limited (ASX:SRK) is pleased to report that petrographic analysis of high grade graphite samples taken from its Burke Graphite Project[1] (**Project**) in Queensland confirms the presence of Jumbo Flake graphite.

An initial drilling programme on the Project is scheduled to commence before the end of April 2017 with the objective of drill-testing the geologically mapped high grade graphite zones in order to determine the geometry and metallurgical characteristics of the underlying graphitic body(ies) as well as the distribution of the higher value Jumbo Flake graphite.

Burke Graphite Project

Strike holds a 60% farm-in interest over two exploration tenements considered highly prospective for large flake graphite mineralisation. 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) (refer Figure 1).

The key Burke tenement EPM[2] 25443 (~16km^2) is immediately adjacent to the Mt Dromedary Graphite Project (refer Figure 2), one of highest-grade flake graphite deposits in the world, located in Australia, being developed by Graphitecorp Limited (ASX:GRA). GRA's Mineral Resource Statement for its Mt Dromedary deposit was released on ASX on 20 October 2016: Upgraded Independent JORC Mineral Resource Estimate.

1 Refer also Strike ASX announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland

2 EPM means exploration permit for minerals

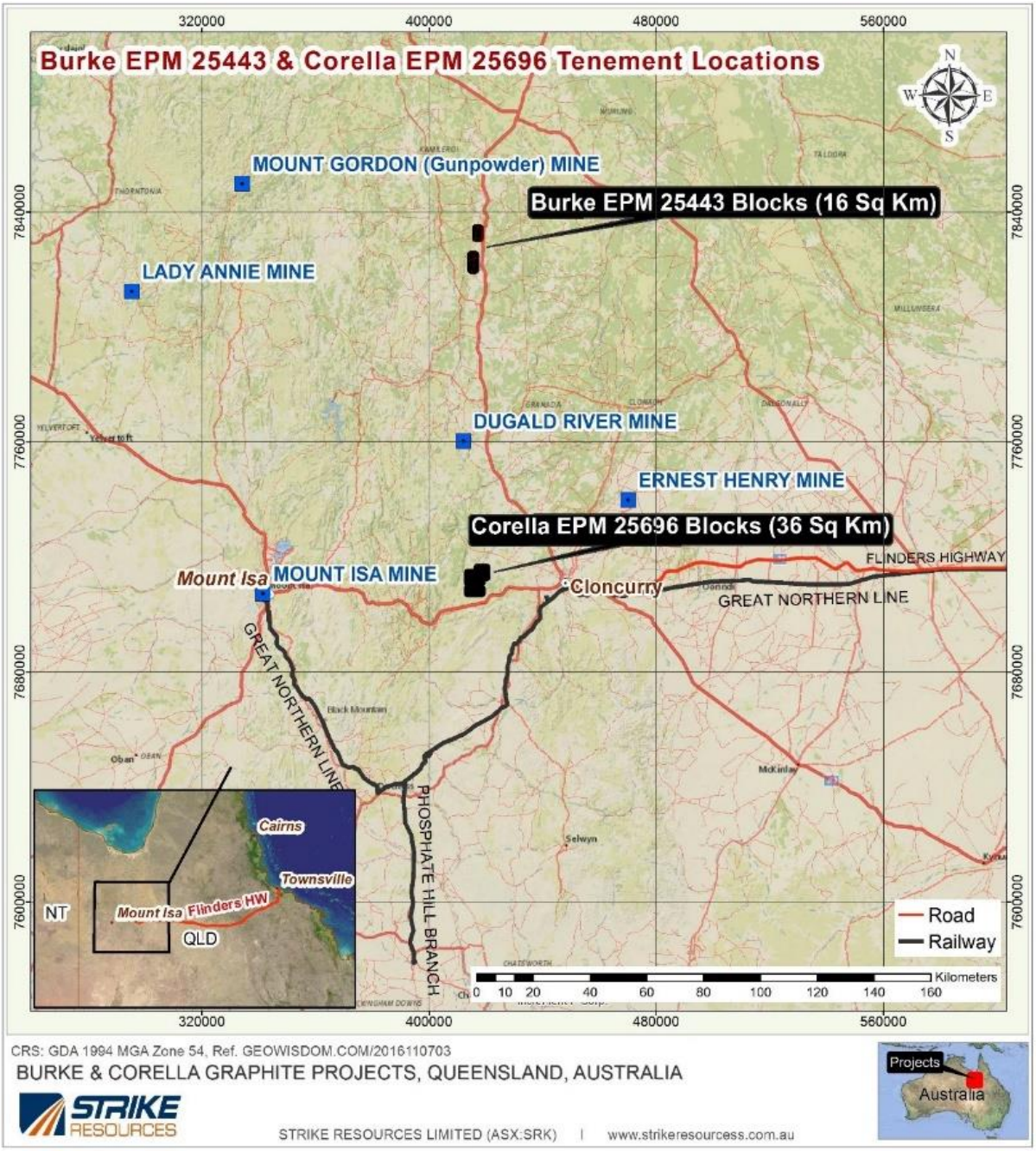

Figure 1 – Burke Graphite Project Tenement Location in North Central Queensland

Exploration Results - EPM 25443 (Burke Tenement)

EPM 25443 (~16km^2) comprises two blocks with the northern block (6km^2) being directly adjacent to GRA's Mt Dromedary Project (Refer Figure 2).

In March 2017, Strike carried out detailed mapping on the northern block of EPM 25443 and submitted samples of mineralised graphite schists to Townend Mineralogy Laboratory in Western Australia for thin section review to gauge the flake size of the graphite present within the graphitic schist.

The high grade graphitic schists within an outcrop in the northern block and extend ~1km NS.

The petrography samples were taken from duplicates rock chip samples previously collected and reported. [3]

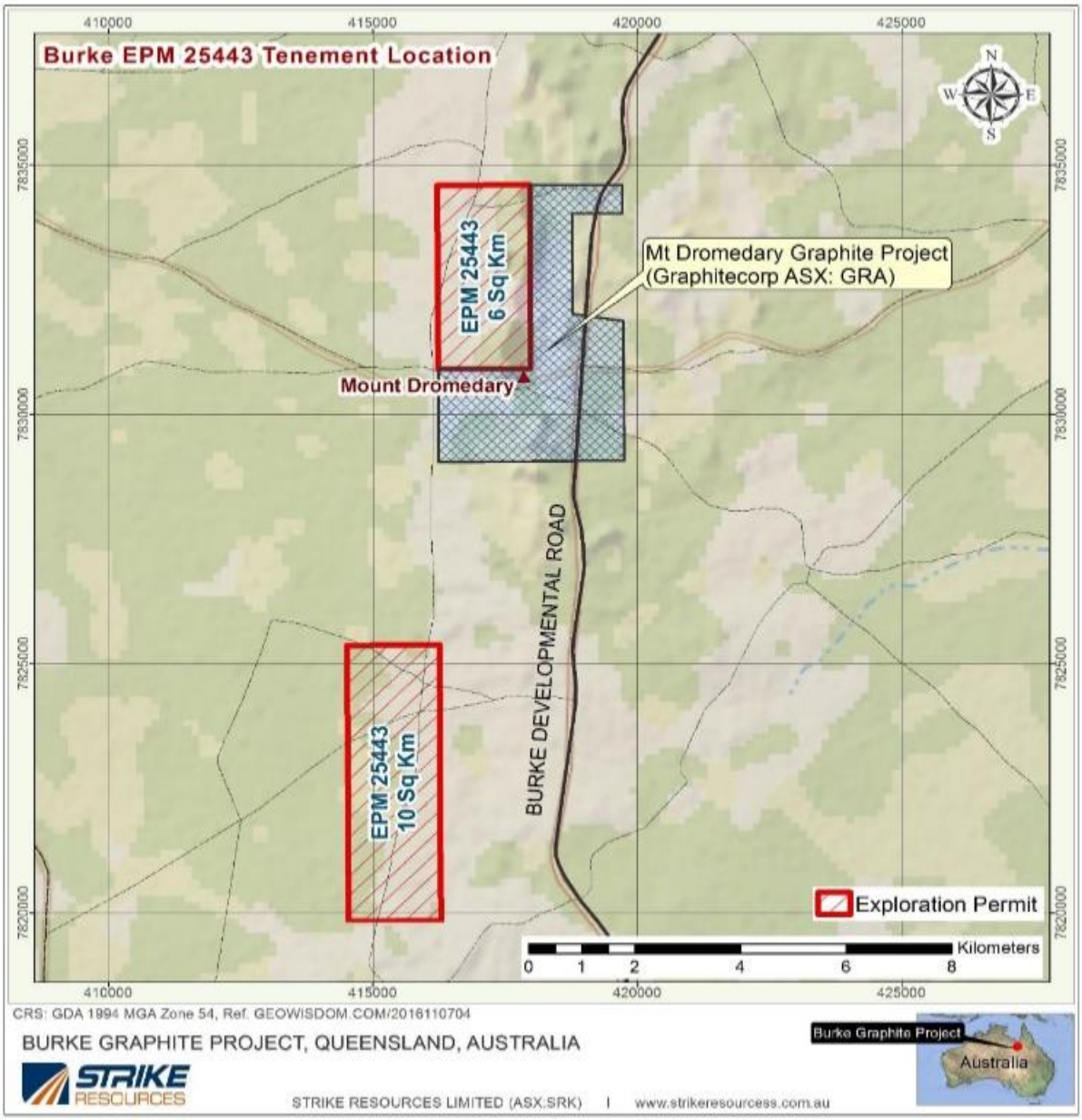

Figure 2 – Burke Tenement EPM 25443 Location

3 Refer Strike ASX announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland

The graphite flakes within the outcrop were found to have two distinct populations, being massive Large to Jumbo Flake sizes (refer Figure 3 and Table 1) in samples with higher grade total graphite content (TGC) together with a fine amorphous to small flake ground mass.

Flake sizes over 1,000µm are observed within the sampled petrography thin sections.

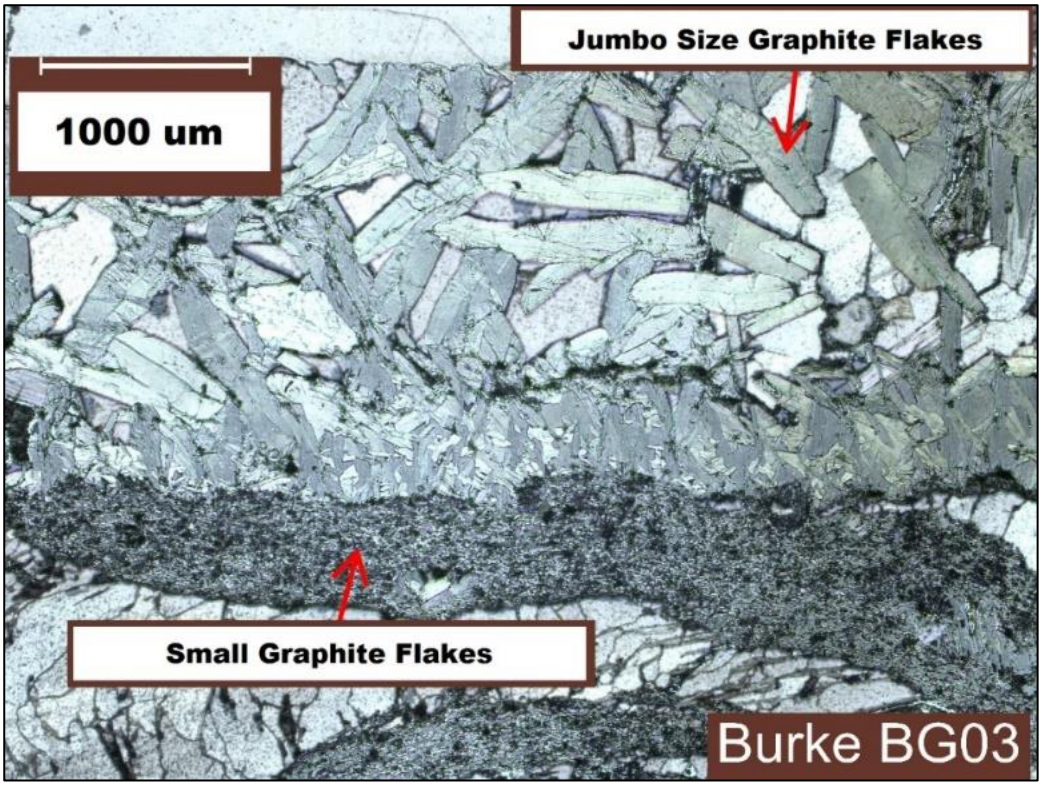

Figure 3 - Burke Tenement: High Grade Petrography Thin Section
(Rock Chip Sample ID: MD/1 (MGA Z54 417887 Easting and 7831166 Northing)

Jumbo Flake graphite typically attracts a premium price compared to smaller flake sizes, as larger flake sizes are more efficient at making the spherical graphite required for Lithium-ion battery anodes.

Table 1- Graphite Flake Size Terminology

Graphite Product	Purity (%)	Mesh Size	Flake Size
Jumbo Flake	96 – 98%	+48	>300µm
Large Flake	94 – 97%	+80 – 48	177 - 300µm
Medium Flake	94 – 97%	+100 – 80	148 - 177µm
Small Flake	94 – 97%	+200 – 100	74 - 148µm
Amorphous	80 – 85%	-200	<74µm
Vein	+98%	NA	
Synthetic	99.95%		

Drilling Programme - EPM 25443 (Burke Tenement)

The key EPM 25443 tenement is covered by thin scree from nearby Mt Dromedary. The northern block (~6 km^2) is the priority target which adjoins Graphitecorp's Mt Dromedary Project to the east.

Drilling is planned to commence towards the end of April 2017 with the principal objectives of drill testing the geologically mapped high grade graphite zones in order to determine width, dip and depth of the underlying graphitic body(ies) as well as the distribution of the higher value Jumbo Flake graphite.

Approximately 1,000 metres of RC and DDH drilling is planned for the initial programme, with proposed drillholes shown in Figure 4.

Selected samples will be taken for further petrography, and metallurgical recovery test work.

A follow-up drilling campaign is expected to follow, once the results of the initial programme have been reviewed.

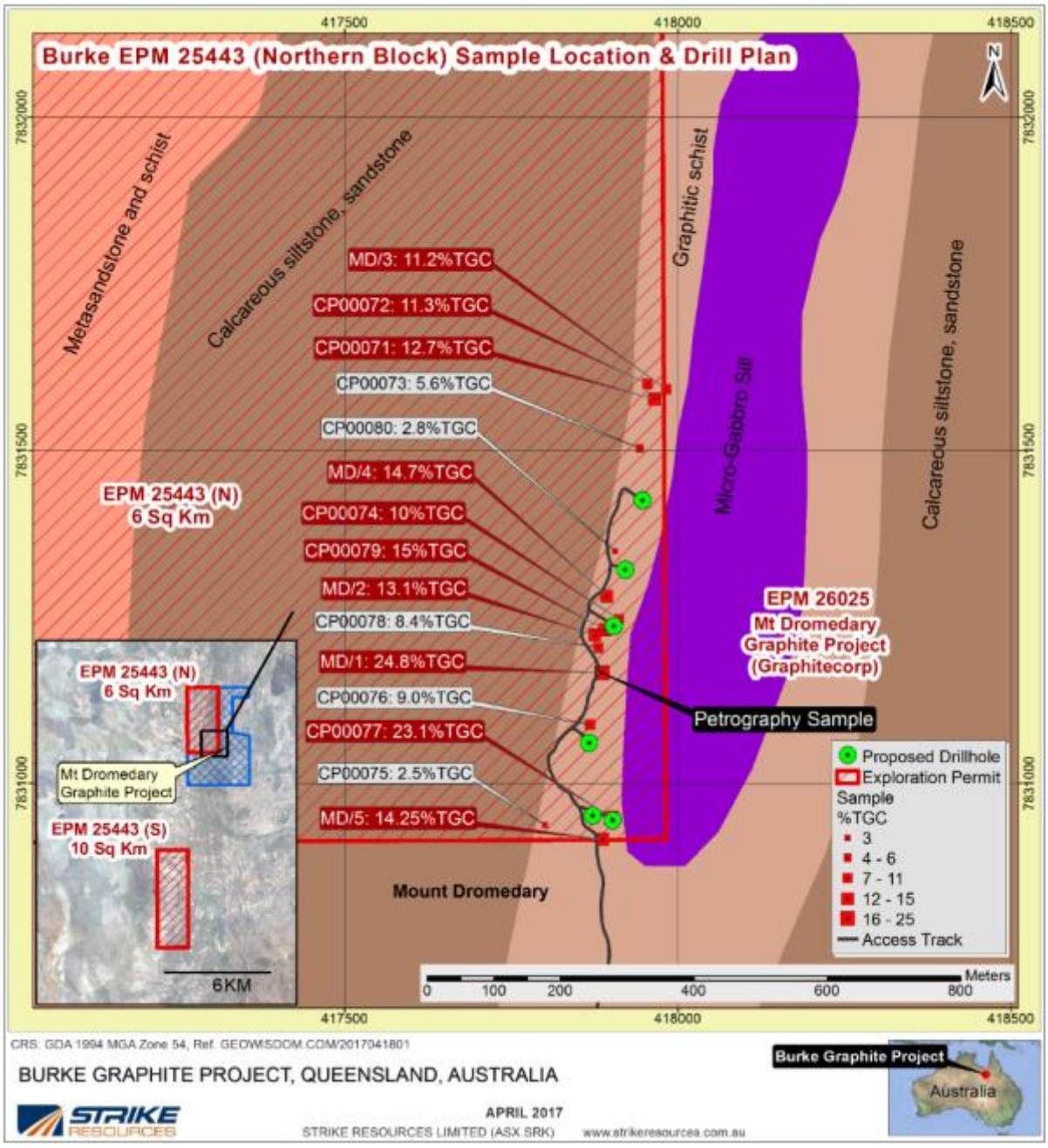

Figure 4 – Burke Tenement EPM 25443 (Northern Block) : Sample Locations and Planned Drillholes

Exploration Results - EPM 25696 (Corella Tenement)

During March 2017, further follow-up mapping and sampling (13 rock chips taken) in Corella tenement EPM 25696 has established the widespread nature of the graphite mineralisation with zones of higher grade %TGC graphite content up to 14.85 %TGC (refer Figure 5 and Table 2).

Further petrography work will be required to determine if the higher grade zones within EPM 25696 contain Large Flake and/or Jumbo Flake graphite.

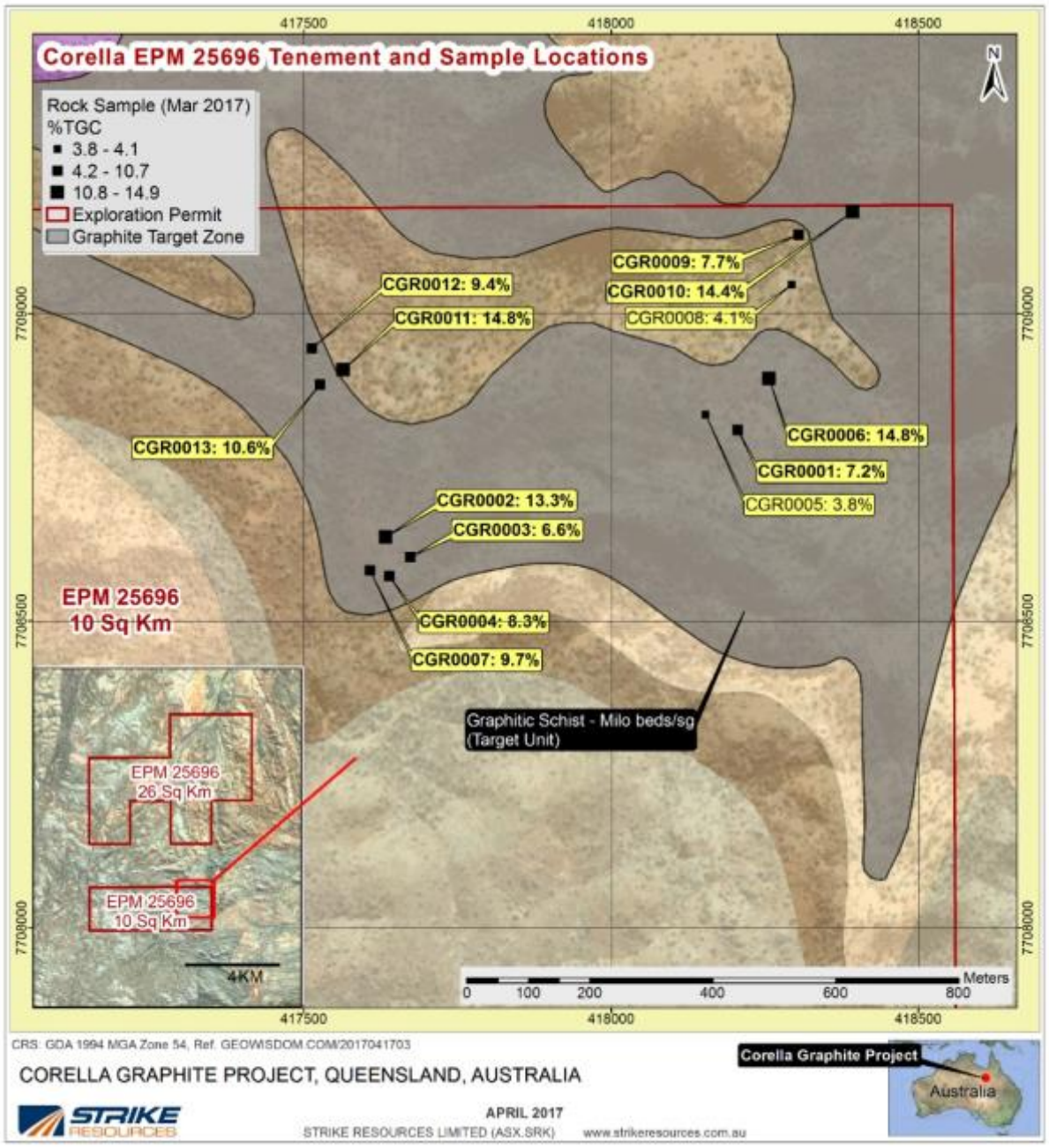

Figure 5 – Corella Tenement EPM 25696 Sample Locations

Table 2 – Corella Tenement EPM 25696 Assay Results from Surface Sampling

Sample ID	MGA Z54 Easting	MGA Z54 Northing	Total Graphitic Carbon %TGC
CGR0001	418206	7708811	7.24
CGR0002	417633	7708637	13.3
CGR0003	417673	7708604	6.65
CGR0004	417639	7708573	8.27
CGR0005	418154	7708836	3.77
CGR0006	418257	7708895	14.85
CGR0007	417608	7708582	9.74
CGR0008	418294	7709048	4.13
CGR0009	418305	7709129	7.73
CGR0010	418393	7709166	14.35
CGR0011	417564	7708909	14.75
CGR0012	417513	7708944	9.39
CGR0013	417526	7708885	10.65

Notes:

(1) Co-ordinates based on hand held GPS readings

(2) Refer Figure 5 for Corella Tenement sample location map

Geology

The Mt Dromedary Graphite occurrence was identified by previous exploration dating back to the 1970's and is hosted by a mapped graphitic schist[4] 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 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 (~35km^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.

Annexure A contains the Checklist of Assessment and Reporting Criteria for Exploration Results under JORC Code (2012 Edition).

FOR FURTHER INFORMATION

William Johnson
Managing Director
T | (08) 9214 9700
E | wjohnson@strikeresources.com.au

Victor Ho
Director and Company Secretary
T | (08) 9214 9700
E | cosec@strikeresources.com.au

ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company, owner of the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and currently developing a portfolio of lithium and graphite exploration projects in Australia and Chile.

4 Reference: Queensland Department of Natural Resources and Mines

ANNEXURE A

JORC Code (2012 Edition)
– Checklist of Assessment and Reporting Criteria for Exploration Results

Sampling Techniques and Data

SAMPLING TECHNIQUES AND DATA		
Criteria	**JORC Code Explanation Reference**	**Commentary**
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Rock chip samples were collected at various locations across the tenement from in-situ mineralised outcrop. A geological hammer was used to break the rock, then collecting smaller pieces in a calico bag. • Sample of ~1 kg was collected from outcrop location. Sample is considered representative of the outcrop and included potentially barren material. • Hand held GPS used to record location (easting, northing). • Samples analysed for %TGC by ALS method C-IR18
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Rock chip samples were logged in basic geological detail for lithology, mineralisation and weathering. • Rock chip logging is qualitative in nature. • Samples were photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field*	• Samples are considered representative of the material being taken from outcrop. Samples included potentially barren material. Sample preparation conducted by a commercial laboratory. • All samples were dry. • No field duplicates were taken. • Sample preparation technique uses industry best practice and was undertaken in a fully automated, robotic preparation facilities at the laboratory. • Sampling method was consistent across all locations.

SAMPLING TECHNIQUES AND DATA		
Criteria	**JORC Code Explanation Reference**	**Commentary**
	duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No work has been completed to determine if sample size is appropriate to the grain size of the material being sampled given nature of rock chip sampling conducted
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The samples were prepared and assayed at an accredited laboratory ALS Brisbane. Samples analysed for %TGC by ALS method C-IR18 • The laboratory inserted its own standards, Certified Reference Material (CRM) plus blanks and completed its own QAQC.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Assay data is collected electronically. • Location and geology data was manually entered into a master spreadsheet and checked by the consultant geologist, which is considered appropriate at this early stage in the exploration programme.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample locations (easting and northing) were recorded by a handheld GPS with accuracy of +- 5m, with reference to MGA94 Zone 54 grid • 1:100,000 topographic control for elevation is considered adequate for purposes of sampling.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Sample spacing is adequate given reconnaissance nature of surface sampling for determining surface potential of mineralisation as identified in outcrop. • No compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples collected across the property were based on availability of outcrop.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected by consultants of Strike Resources Limited, retaining chain of custody until delivery to laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been undertaken given early stage of exploration project. Strike Resources Limited technical staff will review and implement procedures as appropriate.

Reporting of Exploration Results

REPORTING OF EXPLORATION RESULTS		
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Permit for Minerals No 25443 "Mt Dromedary" was lodged with the Queensland Government Department of Mines and Energy on 2 December 2013. The tenement was granted on 4 September 2014 to Burke Minerals Pty Ltd, for a period of five years. Strike Resources Limited is earning into 60% of the licence. • EPM 25696 'Corella', was granted on 2 April 2015 to Burke Minerals Pty Ltd, for a period of five years. Strike Resources Limited is earning into 60% of the licence.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Mount Dromedary graphite occurrences were first identified by Bill Bowes in the 1970's. 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 1991-1999. 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 (>75um size), whilst the floatation techniques utilised failed to achieved suitable recoveries. • CRAE Exploration entered into a JV with Nord focusing on Copper exploration and also conducted further rock chip sampling and trenching. CRAE's internal Advanced Technical Development division conducted a brief petrographical review which indicated the samples were predominately < 75um. Based on this advice, exploration activity by CRAE for Graphite ceased.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Mt Dromedary Graphite Project on EPM25443 was identified by previous exploration dating back to the 1970's 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 the Burke Minerals EPM 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 Graphite Project 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 amplibolite grade during the Isan Orogeny 1600-1580Ma. • At both tenements, the style of mineralisation sought is crystalline graphite within the graphitic schists
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* – *easting and northing of the drill hole collar* – *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* – *dip and azimuth of the hole* – *down hole length and interception depth* – *hole length.*	• Not applicable

REPORTING OF EXPLORATION RESULTS		
Criteria	**JORC Code explanation**	**Commentary**
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable given reconnaissance nature of surface sampling technique. Results are reported in Table 2 within the announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The rock chip results of individual samples provides information as to the surface potential of the identified mineralisation. • Information as to 3D geometry cannot be defined by the results. • Not applicable given reconnaissance nature of surface sampling technique.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Sample locations and TGC% are indicated in Figures 4 and 5 within the announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All Strike Resources and Burke Minerals collected rock chip results are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No further information has been compiled to date.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work will include drill testing of the identified mineralised zone. Necessary statutory approvals are required and planning is advanced.

JORC CODE (2012) COMPETENT PERSON'S STATEMENT

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.