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Thursday, 1 August 2019 ASX Code: SRK

ASX MARKET ANNOUNCEMENT

Strong Progress at the Paulsens East Iron Ore Project

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to report that the Company is making excellent progress in the path towards developing its Paulsens East Iron Ore Project in the Pilbara, Western Australia (**Project**).

HIGHLIGHTS

- A topographic survey is now complete with the results to assist with mine planning processes.
- Resource upgrade works underway to upgrade status of deposit from JORC Inferred to JORC Indicated Mineral Resource category with results expected within 4 – 6 weeks.
- Consultants have been engaged to develop a detailed mine plan.
- Discussions are progressing with possible trucking providers, contract miners and a number of port facilities.
- Discussions are underway with potential off-take partners for the sale of an expected high grade premium product.
- Draft submission have been provided to the WA Department of Mines for the conversion of the Project tenement into a mining lease.

Strike has made rapid progress on advancing the Paulsens East Iron Ore Project over the last month, since it reported a significant Maiden JORC Inferred Mineral Resource of **9.1 million tonnes at 63.4 % Fe, 5.6% SiO_2 and 3.2% Al_2O_3**[1] for the Project.

A key feature of the Paulsens East Mineral Resource is an approximately 3 kilometre long ridge of outcropping hematite conglomerate which extends up to 60 metres above the surrounding terrain. It is estimated that the outcropping portion contains approximately **2 million tonnes of high grade 62% Fe** potential DSO material that may be able to be mined with minimal overburden.

Strike envisages that such an operation can be undertaken relatively simply using shovels and trucks, with the material then to be crushed and screened on site prior to transport by road to a suitable port facility for export.

William Johnson, Managing Director:

> *"Strike is making great progress in advancing the high grade Paulsens East Iron Ore Project in the Pilbara, as we aim to take advantage of current high iron ore prices. We are rapidly advancing the Project on multiple fronts and will continue to update the market as we proceed with ongoing development".*

1 Refer Strike's ASX Announcement dated 15 July 2019: Significant Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara

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An outline of recent Project activity is summarised below:

Contour Survey

Strike has completed a drone topographic survey of the Project area, which has been undertaken in order to develop a high precision contour map and database of aerial photographs of the deposit for mapping and mine planning purposes.

Channel Sampling to Upgrade from JORC Inferred to Indicated Mineral Resource

A detailed field work programme of channel sampling and geological mapping is scheduled to commence next week, whereby a series of channels will be cut into the top of the hematite ridge using a portable diamond cutter saw. These channels will coincide with the section lines through drill collars undertaken in the two previous drilling campaigns, as well as some additional intermediate lines, primarily to increase geological confidence in the outcropping portion of the ridge and to endeavour to upgrade the status of the Mineral Resource from a JORC Inferred to JORC Indicated category. The results of this sampling and geological mapping will also provide greater accuracy for mine planning purposes. It is expected that subject to satisfactory results of such programme being received, the upgrade to an Indicated Mineral Resource will be completed within 4 - 6 weeks.

Mine Planning

Strike has engaged a Mining Engineering Consultancy firm to develop a detailed mine plan for the Project Mine Planning work to commence once the results from the contour survey and channel sampling are collated and analysed.

Figures 1 and 2 below show conceptual plans for proposed development of the Project:

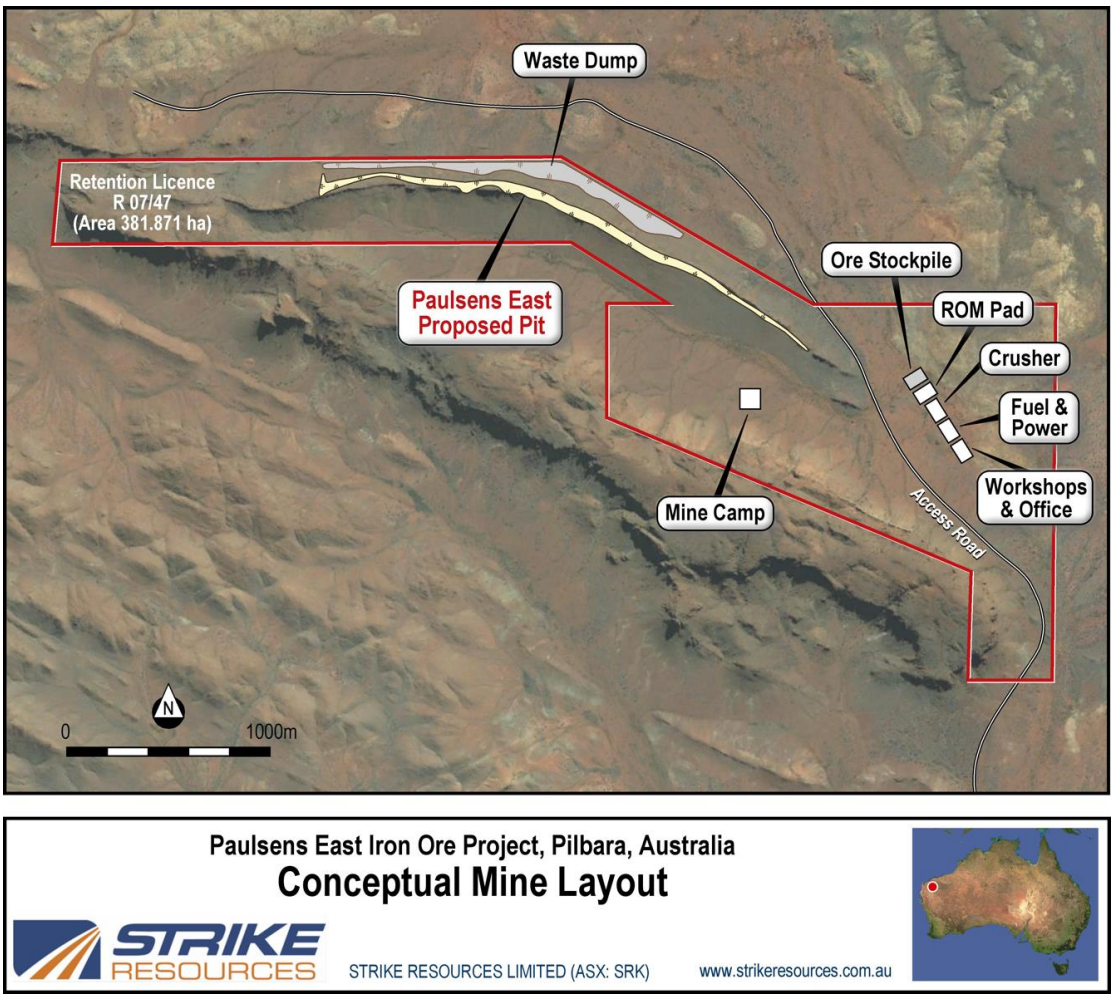

Figure 1: Conceptual Mine Layout of Paulsens East Project

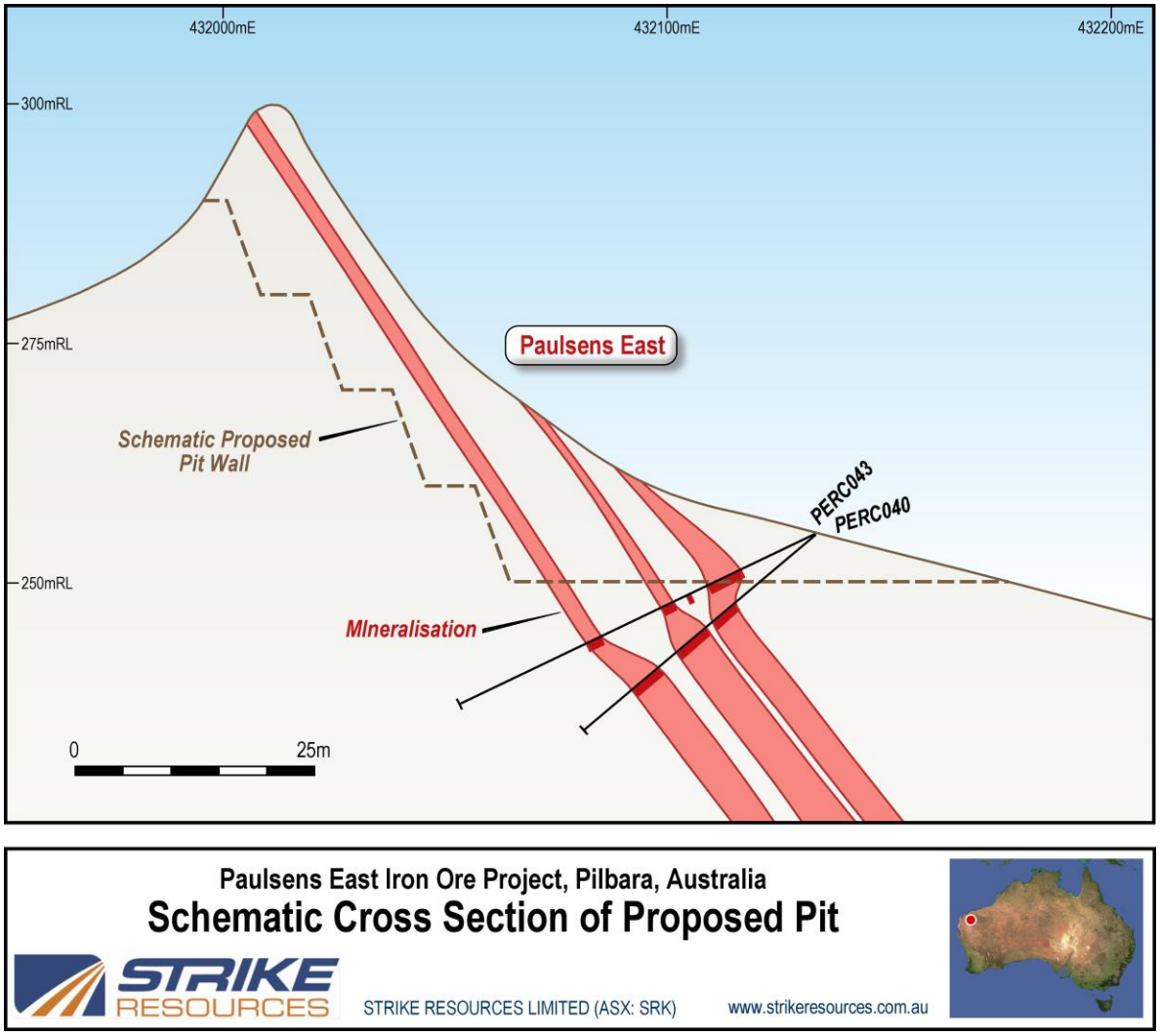

Figure 2: Schematic Cross Section of proposed pit at Paulsens East

Environmental Survey

A specialist environmental consultant group, with extensive experience in the Pilbara, has been engaged to undertake a flora and fauna survey assessment and prepare a Mining Proposal.

Native Title

Strike is recommencing work previously undertaken (in 2008) with the local Puutu Kunti Kurrama & Pinikuras (PKPP) community. Strike is taking steps to re-establish dialogue with the community Elders in order to secure native title clearance.

Mining, Crushing, Transport

Strike is continuing preliminary discussions with various mining, crushing and transport contractors as well as the operators of port facilities between Onslow (233 km from the Project) and Port Hedland (600km). Strike envisages that mining of the outcropping portion of the deposit will be able to be undertaken relatively simply using shovels and trucks, with the material then to be crushed and screened on site prior to transport by road to a suitable port facility for export.

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Offtake

Strike is fortunate to have extensive links to the global iron ore industry, in particular through the connections of long time Strike Director and industry veteran Malcolm Richmond, whose previous roles include; VP Strategy and Acquisition, Rio Tinto; Managing Director Research and Technology, Rio Tinto; and, Managing Director, Iron ore Development at Hamersley Iron. These links (and others) are providing the Company with the opportunity to engage with a number of potential offtake partners for Paulsens East ore, which the Company expects to advance to one or more binding offtake agreements over the coming months as the Project advances. Given the iron ore grades associated with the Project, Strike is hoping to secure premium prices for the delivery of such ore to appropriate offtake partners.

Licensing

Strike has provided a draft submission to the Department of Mines, Industry Regulations and Safety (**DMIRS**) of Western Australia for the conversion of tenement R47/07 to a Mining Lease (**ML**). Once Strike receives feedback on this application from DMIRS and has completed a survey of the boundaries of the tenement, Strike will proceed to submit the final Mining Lease Application.

FOR FURTHER INFORMATION

William Johnson
Managing Director

T | (08) 9214 9700
E | wjohnson@strikeresources.com.au

ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company which owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and the Paulsens East Iron Ore Project in Western Australia. Strike is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina, the Burke Graphite Project in Queensland and a lithium exploration tenement in Western Australia.

ABOUT THE PAULSENS EAST IRON ORE PROJECT

The Paulsens East Iron Ore Project (Strike 100%) located in the Pilbara, Western Australia, contains a JORC Inferred Mineral Resource of **9.1 Million tonnes at 63.4 % Fe, 5.6% SiO_2 and 3.2% Al_2O_3**.

A key feature of the Paulsens East Mineral Resource is an approximately 3 kilometre long ridge of outcropping hematite conglomerate which extends up to 60 metres above the surrounding terrain. It is estimated that the outcropping portion contains approximately 2 million tonnes of high grade 62% Fe potential DSO material that may be able to be mined with minimal overburden. Such an operation could be undertaken relatively simply using shovels and trucks, with the material then to be crushed and screened on site prior to transport by road to a suitable port facility for export.

For further reference, refer to Strike's ASX Announcement dated 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara.

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JORC CODE (2012) COMPETENT PERSON STATEMENT

The information in this document that relates to Mineral Resources in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by the Strike Resources Limited on:

- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara

The information in the original announcement that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Jones, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 information in this announcement that relates to Exploration Targets in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is based on information compiled by Mr Philip Jones, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Jones is an independent contractor to Strike Resources Limited. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify 5as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Jones consents 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.