

# ASX MARKET ANNOUNCEMENT

## Paulsens East Iron Ore – Marketing Update

### HIGHLIGHTS

- Significant Interest from multiple parties regarding off-take from the Paulsens East Iron Ore Project
- Discussions advanced with various groups including Chinese steel mills, global established iron ore traders as well as other marketing groups
- Samples provided to a number of groups for independent testing
- Off-take interest in providing project finance and/or pre-payment for iron ore shipments, as well as taking equity participation at the Project level

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to advise that it is rapidly advancing marketing activities for its high grade Lump and Fines products from its Paulsens East Iron Ore Project (**Project**).

As stated in Strike's recent ASX announcement regarding the completion of its Feasibility Study for the Project<sup>1</sup>, the Company is targeting a 1.5 Mtpa of direct shipping iron ore (**DSO**) production from the Project commencing approximately mid-2021, of which approximately 1.1 Mtpa is expected to be a higher-value Lump product grading 62% Fe with low impurities, with the balance 0.9 Mtpa to be a Fines product grading 59% Fe.

Over the past 12 months, Strike has been actively engaging with a range of potential customers and off-take partners with regard to securing the best possible terms for sale of its Paulsens East products. These parties include Chinese steel mills, global established iron ore traders as well as a number of other marketing groups.

In addition to negotiating optimal pricing formulae and payment terms for its products, Strike has been holding discussions with a number of the above parties regarding the potential to contribute project financing facilities and/or pre-payments for iron ore shipments.

Whilst these discussions remain ongoing and confidential, Strike can confirm that:

- There is strong interest from multiple parties to secure regular supplies of iron ore from the Project;
- Confidentiality agreements have been executed with multiple parties and samples of the proposed Lump and Fines products have been prepared and are being provided to parties for their own independent testing; and
- Multiple parties have expressed interest in providing project finance and/or pre-payment for iron ore shipments, as well as taking equity participation at the Project level.

<sup>1</sup> Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns - the Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially change



With the Paulsens East Feasibility Study now completed and the permitting process advancing, Strike plans to now accelerate these off-take/financing discussions, with the aim to have one or more binding contracts executed immediately or soon after the Mining Permit for the Project is issued (by the WA Department of Mines, Industry, Regulation and Safety).

Strike Managing Director, William Johnson:

*“The interest that has been shown in the Paulsens East Project by customers and traders has been extremely encouraging, confirming the underlying strength in the iron ore market and the recognition that Paulsens East has the potential to produce highly sought after, high grade products. The opportunity to receive project funding and shipment prepayments from these parties will be carefully evaluated as Strike develops its overall Project funding strategy”.*

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**AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:**

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**ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)**

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

**ABOUT PAULSENS EAST IRON ORE PROJECT**

The Paulsens East Iron Ore Project (Strike 100%) (Project) is located in the Pilbara, Western Australia and comprises a 3km long outcropping ridge of high grade Direct Shipping Iron Ore (DSO). Strike is targeting production of 1.5Mtpa of Lump and Fines DSO for an initial mine life of 4 years, commencing in 2021.<sup>2</sup>

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## JORC CODE COMPETENT PERSON'S STATEMENT

The information in this document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2020** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcement made by Strike Resources Limited on:

- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

The information in the original announcement that relates to these metallurgical test work matters is based on and fairly represents information and supporting documentation compiled by Dr Michael J Wort (FAusIMM CP(Met)), who is a Fellow of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and a Chartered Professional Engineer. Dr Wort is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS IOTC on samples collected under the direction of Dr Wort and fairly represents the information compiled by him from the ALS IOTC testwork reports. Dr Wort 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 announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Strike ASX market announcements referred to above may be viewed and downloaded from the Company's website: [www.strikeresources.com.au](http://www.strikeresources.com.au) or the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code "SRK".

## FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of 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.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Strike believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Strike does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.