

MARKET ANNOUNCEMENT

Proposed Divestment of Paulsens East Iron Ore Project

Strike Resources Limited (ASX:SRK) (**Strike** or **Company**) is pleased to announce that it has entered into a Share and Asset Sale Agreement (**Agreement**) with Miracle Iron Holdings Pty Ltd (**Miracle**) for the sale of 100% of the shares in wholly-owned subsidiary, Strike Iron Ore Holding Pty Ltd (**SIOPL**) in consideration of a cash purchase price of A\$20.5 million.

SIOPL is the owner of Paulsens East Iron Ore Pty Ltd (**PEIOPL**), the owner of Strike's Paulsens East Iron Ore Project located in the Pilbara, Western Australia (**Paulsens East**).

Strike will receive A\$20 million on completion with A\$0.5 million deferred consideration payable by Miracle on 30 June 2024.

Strike will apply part of the sale proceeds to fully discharge the US\$7.2 million loan owed to Good Importing International Pty Ltd (**GII**) (**GII Loan**),¹ with the remaining proceeds intended to applied towards the advancement of Strike's Apurimac Iron Ore Project in Peru (**Apurimac**) and for working capital purposes.

In addition, under the Agreement, GII has agreed to terminate the marketing agency and offtake arrangements granted to GII in respect of Apurimac² and Paulsens East¹, in consideration for:

- (a) Strike transferring either directly or indirectly a 20% interest in Apurimac Ferrum S.A.C. (**AF**), the owner of Apurimac, to JE United Ltd (**JEL**) (a nominee/associate of GII); and
- (b) payment of A\$2 million by Miracle to GII at completion under the Agreement;

Miracle has also requested the cancellation of the Orion Royalty³ that is payable to CXM Pty Ltd (**CXM**) for iron ore produced from Paulsens East (with CXM being a wholly-owned subsidiary of Orion Equities Limited (ASX:OEQ)) and CXM has agreed to do so on the following terms:

- (a) CXM agrees to terminate and provide releases to Miracle (as the purchaser of Paulsens East) under the Orion Royalty; and
- (b) Miracle agrees to pay \$2 million (with a further \$3 million payment deferred to 30 June 2024) to CXM as consideration for the termination of the Orion Royalty.

A A\$2 million deposit (to be deducted from the purchase price) has been paid by Miracle in accordance with the terms of the Agreement. This deposit is retained by Strike in certain circumstances or will be applied at completion towards the purchase price.

1 Refer Strike's ASX Announcements dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project, 16 December 2022: Update on Paulsens East Project Financing and 4 April 2023: Further Update on Paulsens East Project Financing

2 Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

3 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

ASX has confirmed that Listing Rule 11.2 applies to the proposed disposal of Paulsens East pursuant to the Agreement. As detailed further below, the Company expects to convene a general meeting in January 2024 to seek shareholder approval for the Proposed Transaction.

Completion of the Agreement is conditional on receipt of Strike shareholder approval under Listing Rule 11.2 and no regulatory step being initiated that could prevent the contemplated transactions from proceeding.

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which obliges a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities.

ASX has advised that:

- (a) in accordance with paragraph 4.7 of Guidance Note 12 (Significant Changes to Activities), Strike will be afforded a period of 6 months from the date of the Agreement (being 22 December 2023) to demonstrate to the ASX that it is compliant with Listing Rule 12.1; and
- (b) it will suspend trading in Strike's securities if Strike has not demonstrated compliance with Listing Rule 12.1 to ASX's satisfaction at the end of the 6-month period.

Following completion of the Agreement, the Company intends to focus on the advancement of Apurimac as the Proposed Transaction (as set out further below) provides a number of strategic benefits in respect of Apurimac, including the early termination of GII's offtake rights and the discharge of the GII Loan. Strike considers that the increased focus on the advancement of Apurimac will provide a sufficient level of operations to justify the continued quotation of its securities.

As a result of Strike having disposed of its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is likely to apply to any future acquisition by Strike, which may require Strike to re-comply with Chapters 1 and 2 of the Listing Rules.

Rationale for the proposed divestment of Paulsens East

Given prevailing market conditions, Strike's significant (US\$7.2 million) liability owed to GII and the significant financial requirements of operating iron ore projects, the Board believes that it is in the best interests of Strike shareholders to dispose of its interest in Paulsens East on the terms negotiated under the Agreement.

The sale of Paulsens East represents strategic benefits to Strike, including the following:

- (a) Strike will receive significant cash consideration (A\$20 million less the ~A\$11 million (US\$7.2 million) to discharge the GII Loan) plus an additional A\$0.5 million deferred cash consideration receivable on 30 June 2024;
- (b) Strike will clear a significant liability (~A\$11 million (US\$7.2 million)) under the GII Loan and quarterly interest payment obligations (at 10% per annum) will no longer be required;
- (c) Strike will accordingly not be required to consider alternative methods of meeting its obligations under the GII Loan, including the further sale of shares it holds in Lithium Energy Limited (ASX:LEL) or a capital raising; and
- (d) the improved working capital position will assist with the potential resumption of direct-shipping iron ore (**DSO**) mining operations at Apurimac.

The disposal of a 20% interest in Apurimac to JEL also provides strategic benefits to Strike, including the following:

- (a) GII's offtake rights for 100% of the iron ore mined from Apurimac will be terminated ahead of its expiry on 31 August 2025, providing flexibility in relation to either the sale of Apurimac or the potential resumption of mining operations (and the sale of DSO to local/other parties) at Apurimac and the obtaining of project financing for the same;
- (b) as a shareholder in AF, JEL will be called upon to contribute its share of funding towards the ongoing ownership costs of Apurimac and the development of Apurimac including the potential resumption of DSO mining operations; and
- (c) post-completion, Strike will continue to retain an 80% interest in Apurimac and will, as the majority controlling interest, effectively maintain management control of Apurimac and its operations.

Further details about Paulsens East and Apurimac are respectively set out in Annexures C and D to this announcement.

Overview of the Agreement

A summary of the key terms of the Agreement is set out in Annexure A to this announcement.

Strike's financial position before (as at 30 June 2023) and (pro-forma) after completion of the sale of Paulsens East and partial sale of Apurimac (**Proposed Transaction**), is set out in Annexure B to this announcement.

Additional details regarding the Proposed Transaction will also be included in the Notice of Meeting and Explanatory Statement for the General Meeting (**Meeting Document**).

Shareholder Approval

The Agreement is conditional on Strike shareholder approval under Listing Rule 11.2) (**Listing Rule CP**), to be sought at an upcoming general meeting expected to be held in February 2024 (**General Meeting**).

Subject to shareholder approval being obtained and the other condition precedent being satisfied, completion of the Agreement is targeted for February 2024. Strike shareholders do not need to take any action at the present time.

Further detail of the shareholder resolution for the purposes of the Listing Rule CP, including the advantages and disadvantages of the Proposed Transaction and a voting exclusion statement will be provided in the Meeting Document.

Overview of the Buyer

Miracle Iron Holdings Pty Ltd is a Perth based private company owned by Mr Chuanshui (Frank) Yin (who is the sole director and secretary).

Mr Yin has been active in developing Sino-Australia business ventures in the mining sector and has facilitated a number of negotiations between Chinese and Australian parties in mining development investments and off-take agreements. Mr Yin was also the Director and Chief Executive Officer (2012 - 2018) of Ishine International Resources Limited (former ASX:ISH), a minerals exploration company with gold and copper projects in Western Australia, South Australia and Queensland.

Strike is satisfied in relation to Miracle's financial capacity to complete the transactions contemplated under the Agreement, after having completed due diligence on Miracle and Mr Yin, negotiating a significant A\$2 million deposit (non-refundable in certain circumstances) and having sighted Miracle's bank account statement showing sufficient funds at call to fund Miracle's payment obligations at completion.

For personal use only

Miracle (and its associates) do not currently have a relevant interest in any securities in Strike, is not a related party and does not hold (and has not held in the past 6 months) a substantial interest of 10% in Strike.

Indicative timetable

22 December 2023	Execution of the Agreement
19 January 2024	Issue of Meeting Document and despatch to Strike shareholders. The Meeting Document will provide additional details on the Proposed Transaction.
20 February 2024	Strike shareholder meeting to approve the Proposed Transaction for the purposes of Listing Rule 11.2.
23 February 2024	Expected completion of Proposed Transaction under the Agreement (should shareholder approval be obtained)

The dates above (and references to those dates throughout this document) are indicative only and are subject to (a) any changes that may be agreed between Strike and the counterparties to the Proposed Transaction/Agreement, (b) any changes that may be agreed in consultation with the ASX or (c) delays caused by the satisfaction of the Listing Rule CP to the Proposed Transaction. Strike will update Strike shareholders via the ASX market announcements platform and Strike's website as appropriate when the relevant events are reached, changed, or decisions made.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

Farooq Khan
Executive Chairman
T | (08) 9214 9700

E | chair@strikeresources.com.au

William Johnson
Managing Director
T | (08) 9214 9700

E | md@strikeresources.com.au

ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which is developing the Paulsens East Iron Ore Mine in Western Australia – Strike has exported 66,618 tonnes of ~62% Fe Lump DSO (mined from surface detrital material) from Utah Point (Port Hedland) and is developing a 1.8Mtpa export solution out of the Port of Ashburton (Onslow). Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike has a 31.1m (30%) shareholding in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9m IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke and Corella Graphite Projects in Queensland.

ANNEXURE A

Key Terms of the Share and Asset Sale Agreement

Parties	Strike Resources Limited (Strike) (as Vendor), Miracle Iron Holdings Pty Ltd (Miracle) (as Purchaser) Good Importing International Pty Ltd (GII), JE United Ltd (JEL), Strike Finance Pty Ltd (SFPL) and CXM Pty Ltd (CXM) (being a subsidiary of Orion Equities Limited (ASX:OEQ) (Orion))
Sale Shares	100% of the shares held by Strike in Strike Iron Ore Holdings Pty Ltd (SIOH) – SIOH owns Paulsens East Iron Ore Pty Ltd (PEIOPL), which holds the tenement comprising the Paulsens East Iron Ore Project (Western Australia)
Sale Asset	Exploration Licence E47/5055 (Austin Creek North) (applied by Strike and pending grant)
Condition Precedent	(a) Strike's shareholders approving the Proposed Transaction under, and for the purposes of, ASX Listing Rules 11.1 or 11.2; and (b) No regulatory step being initiated that could prevent the contemplated transactions from proceeding.
Completion	3 business days after satisfaction of Condition Precedent
Sunset Date (for satisfaction of Condition Precedent)	31 March 2024
Consideration	(c) Upfront cash of \$20 million upon completion of the Agreement – will be applied toward discharge of GII Loan (US\$7.2 million or \$11 million). (d) Deferred cash consideration of \$0.5 million payable on 30 June 2024. (e) Post-Completion, Strike will refund \$160k upon defined payments made by PEIOPL under the PKKP Native Title Mining Agreement ⁴ .
Deposit	\$2 million (payable within 3 business days of execution): (a) Deposit is retained by Strike if failure of Completion was caused by Purchaser seeking to terminate/rescind Agreement when not entitled to do so, Vendor lawfully terminating Agreement or Purchaser's breach of Agreement or unwillingness or inability to complete. (b) Deposit is refunded to Miracle if failure of Completion was caused by any other matter or thing.
Ancillary Matters (to occur, simultaneously at Completion)	(a) GII agrees to terminate and provide releases under the 'Paulsens Offtake and Marketing Agreement'. ⁵ (b) CXM agrees to terminate and provide releases under the Orion Royalty. ⁶ (c) Miracle agrees to pay \$2 million to GII as consideration for the termination of the Paulsens Offtake and Marketing Agreement. (d) Miracle agrees to pay \$2 million (with a further \$3 million payment deferred to 30 June 2024) to CXM as consideration for the termination of the Orion Royalty.

4 Refer Strike's ASX Announcement dated 17 August 2020: Native Title Agreement Paves Way for Iron Ore Development

5 Refer Strike's ASX Announcements dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project

6 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects.

	<p>(e) Miracle appoints JEL, on a non-exclusive basis, throughout the world, to provide iron ore marketing and sale services in relation to the sale/export of DSO from Paulsens East, to Miracle (or Miracle's Nominee, including SIOH/PEIOPL) at the request of Miracle (from time to time).</p> <p>(f) GII agrees to terminate and provide releases under 'Peru Offtake and Financing Agreement'⁷.</p> <p>(g) Strike agrees to issue or transfer a direct or indirect 20% interest in Apurimac Ferrum S.A.C. (AF), which owns Apurimac, to JEL (with the final investment structure to be agreed by Strike and JEL) at Completion.</p> <p>(h) All intra-group loans between Strike and each of SIOH and PEIOPL (and as between SIOH and PEIOPL, if required by Miracle) to be discharged.</p>
Other	Customary terms and conditions for a transaction of this nature, including customary warranties and indemnities, customary caps and limitations on claims, and customary termination mechanisms.

⁷ Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

ANNEXURE B

Pro-Forma Statement of Financial Position

	Balance at 30 June 2023 (audited) \$	Pro-Forma Adjustments \$	Pro-Forma Balance \$
Cash and cash equivalents	2,640,955	7,988,864	10,629,819
Financial assets at fair value through profit or loss	1,980	-	1,980
Receivables	140,922	496,950	637,872
Other current assets	386,298	-	386,298
TOTAL CURRENT ASSETS	3,170,155	8,485,814	11,655,969
NON-CURRENT ASSETS			
Investment in Associate entity	669,878	-	669,878
Mine development	15,688,267	(15,688,267)	-
Property, plant and equipment	79,467	(8,850)	70,617
TOTAL NON-CURRENT ASSETS	16,437,612	(15,697,117)	740,495
TOTAL ASSETS	19,607,767	(7,211,303)	12,396,464
CURRENT LIABILITIES			
Payables	1,987,733	(557,756)	1,429,977
Provisions	1,032,760	(750,000)	282,760
TOTAL CURRENT LIABILITIES	3,020,493	(1,307,756)	1,712,737
NON-CURRENT LIABILITIES			
Borrowings	10,806,120	(10,806,120)	-
TOTAL NON-CURRENT LIABILITIES	10,806,120	(10,806,120)	-
TOTAL LIABILITIES	13,826,613	(12,113,876)	1,712,737
NET ASSETS	5,781,154	4,902,573	10,683,727
EQUITY			
Issued capital	160,453,332	-	160,453,332
Reserves			
Profits reserve	28,968,834	-	28,968,834
Share-based payments reserve	13,402,658	-	13,402,658
Foreign currency translation reserve	1,418,028	-	1,418,028
Accumulated losses	(198,461,698)	4,902,532	(193,559,166)
Minority interest	-	41	41
TOTAL EQUITY	5,781,154	4,902,573	10,683,727

Pro-Forma Adjustments

The Pro-Forma Statement of Financial Position adopts Strike's audited Consolidated Statement of Financial Position as at 30 June 2023 with a Pro-Forma position based on the completion of the Proposed Transaction under the terms of the Agreement. The following matters are noted in relation to the Pro-Forma Adjustments:

- There is an assumed disposal of SIOH and deconsolidation of SIOH and PEIOPL, resulting in the elimination of assets (Cash, Receivables, Mine development and Plant and equipment) and liabilities (Payables and Provisions) attributable to SIOH and PEIOPL and a gain on disposal (which is accounted for as part of the adjustment to Accumulated losses), as at 30 June 2023;
- The upfront cash consideration is applied to discharge the GII Loan (Borrowings) with the balance recognised in Cash;
- The deferred consideration is recognised as a current Receivable;
- There is an assumed transfer by Strike of 41 shares in SIOH to JEL (at \$1.00 per share), to give JEL a 41.22% interest in SFPL, which translates to an indirect 20% shareholding interest in AF (as SFPL owns 48.52% of AF) – under the Agreement, Strike has agreed to issue or transfer a direct or indirect 20% interest in AF to JEL, with the final investment structure to be agreed by Strike and JEL at completion.

ANNEXURE C

About Paulsens East Iron Ore Project (Pilbara, Western Australia)

(Strike – 100%)

The Paulsens East Iron Ore Project (**Pulsens East**) is located ~235km by road east of Onslow (and the Port of Ashburton) and ~650km by road south of Port Hedland in the Pilbara, Western Australia (refer Figure 1).



Figure 1: Paulsens East Iron Ore Mine Location – Haulage Route to Port of Ashburton

Strike completed a maiden shipment of 66,618 tonnes of iron ore from Paulsens East in September 2022, which involved the mining of surface detrital material to produce Paulsens East Lump direct shipping iron ore (**DSO**), which was exported to China from the Utah Point Multi-User Bulk Handling Facility (**Utah Point**) at Port Hedland. The specifications of this first shipment of Paulsens East Lump DSO are as follows⁸:

Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	Moisture
61.96%	5.66%	2.86%	0.077%	0.008%	2.17%	2.32%

⁸ Refer Strike's ASX Announcements dated 30 August 2022: First Export Shipment of Paulsens East Lump Iron Ore and Future Operations, 25 August 2022: Maiden Shipment of Paulsens East Lump Iron Ore and Operational Update and 1 August 2022: Maiden 68,000 Tonne Shipment of Paulsens East Lump Iron Ore

Strike is now undertaking Stage 2 Development of Paulsens East, which will involve conventional open pit mining of the Paulsens East hematite ridge, ramping up to an annualised production rate of up to ~1.8 Mtpa, with road train haulage to and export (via transshipment operations) through the Port of Ashburton near Onslow.

Consortium for Development of Iron Ore Export Facility at Port of Ashburton

Strike (via subsidiary, Paulsens East Iron Ore Pty Ltd), CZR Resources Ltd (ASX:CZR) and transshipment services provider CSL Australia Pty Ltd have entered into a binding Memorandum of Understanding (**MOU**) for the formation of a Port of Ashburton Consortium (**PAC**) to work with relevant authorities to secure approvals for the development of a 5 Mtpa capacity multi-user bulk loading facility for the export of iron ore from the Port of Ashburton, Onslow (the **Port of Ashburton Export Facility** or **Facility**).⁹

The Facility's close proximity to their current and proposed mining operations has the potential to significantly lower trucking costs compared to exporting through Utah Point in Port Hedland. In the case of Strike and its Paulsens East Iron Ore Mine, this involves a trucking distance of ~235km to the Port of Ashburton versus ~650km to Utah Point in Port Hedland (refer Figure 1), significantly reducing trucking costs from mine to port. Both parties believe that combining their export operations through the Port of Ashburton Export Facility provides considerable economies of scale and cost reductions in shipping and transport costs.

CSL Australia is a division of the CSL Group Inc., which is the world's largest owner and operator of self-unloading vessels. CSL Australia currently provides transshipment services for the export of iron ore from Cape Preston in Western Australia and Whyalla in South Australia. CSL has considerable experience in the loading and transportation of bulk materials including iron ore and has agreed to join the PAC as a part-owner of the Port of Ashburton Export Facility and to provide transshipment services to Strike and CZR.

Strike's participation and ownership interest is 25% (CZR – 50% and CSL – 25%). Strike will have a one-third share of the (proposed (minimum) 5 Mtpa) export capacity from the Port of Ashburton Export Facility.

The PAC has incorporated Ashburton Link Pty Ltd (**Ashburton Link**) as the proposed operating company with shareholdings reflecting each member's interest in the PAC (as above).

Ashburton Link has recently (November 2023) submitted a Development Application (**DA**) for the Facility with the Pilbara Ports Authority (**PPA**). The DA includes:

- designs for an integrated iron ore export facility at the Port of Ashburton, including road train unloading, storage shed, transshipment vessel (**TSV**) loader and ancillary fixed and mobile infrastructure; and
- the operating parameters and terms of a TSV to be provided by CSL from its existing shipping fleet capable of discharging a minimum annualised capacity of 5 Mtpa of iron ore into cape-size ocean-going vessels (**OGV**) at an offshore transshipment anchorage point off the Port of Ashburton.

The DA, if approved, will, amongst other things, be subject to compliance with PPA requirements and gaining broader stakeholder support.

The Facility will initially focus on exporting DSO lump and fines from Paulsens East and CZR as PAC 'foundation exporters,' with potential for smaller in-fill third-party offtakes to cover gaps in production or opportunities. The Facility will also be developed to be potentially compatible with a range of bulk mineral products to ensure that access covers a broad range of other operations and benefits multiple miners.

The PAC is also finalising the commercial parameters of proposed landside and offshore transshipment operations. Upon the grant of relevant approvals, the PAC members will negotiate necessary agreements for the construction and operation of the Facility and for CSL to provide transshipment services for the export of iron ore from such facility.

⁹ Refer Strike's ASX Announcement dated 16 December 2022: Formation of Consortium for Development of Iron Ore Export Facility at Port of Ashburton and CZR's ASX Announcement dated 16 December 2022: Strategic Partnership to Develop Iron Ore Export Facility

JORC Mineral Resource and Ore Reserve

Paulsens East consists of a three-kilometre-long outcropping high-grade hematite ridge, containing a **JORC Indicated Mineral Resource** as follows¹⁰:

Mineral Resources Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

The following table shows the Paulsens East JORC Indicated Mineral Resource for a range of cut-off grades⁵:

Mineral Resources Category	Fe% Range	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
Indicated	>60	6.75	62.1	5.21	3.37	0.080	0.01	1.92
Indicated	>59	8.15	61.6	5.56	3.53	0.082	0.01	1.99
Indicated	>58	9.62	61.1	5.97	3.64	0.085	0.01	2.13
Indicated	>57	10.54	60.8	6.27	3.7	0.087	0.01	2.20
Indicated	>56	11.73	60.4	6.86	3.69	0.088	0.01	2.27
Indicated	>55	12.50	60.01	7.22	3.67	0.089	0.01	2.35

As part of the completion of the October 2020 Feasibility Study, part of the JORC Indicated Mineral Resource has been converted to a **JORC Probable Ore Reserve** as follows¹¹:

Ore Reserves Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
Probable	>55	6.2	59.9	7.43	3.77	0.086

Tenements

The following mineral tenements are held by Paulsens East Iron Ore Pty Ltd:

Tenement Type and No.	Grant Date	Expiry Date	Area (Ha)	Area (km ²)
Mining Lease M 47/1583	4/9/2020	3/9/2041	381.87	~3.82
Misc. Licence L 47/927	12/11/2020	11/11/2041	78.74	~0.79
Misc. Licence L 47/938	10/12/2020	9/12/2041	95.97	~0.96
Misc. Licence L 08/195	7/1/2021	6/1/2042	22.44	~0.22
Misc. Licence L 08/190	15/7/2021	14/7/2043	199.60	~2
Misc. Licence L 47/934	15/7/2021	14/7/2043	357.09	~3.57
Misc. Licence L 47/980	15/7/2021	14/7/2043	62.60	~0.63
Misc. Licence L 47/981	16/7/2021	15/7/2043	465.04	~46.5
Misc. Licence L 47/983	15/8/2023	14/8/2044	184.98	~1.85

The following tenement applications (lodged by Paulsens East Iron Ore Pty Ltd) are pending grant:

Tenement Type and No.	Application Date	Area (Ha)	Area (km ²)
Misc. Licence L 08/271	12/8/2021	47.55	~0.48
Prospecting Licence P 08/813	29/4/2022	47.00	0.47

Strike Resources Limited has also applied for the following Exploration Licence, located ~20 kilometres (to the north) from the Paulsens East tenements:

Tenement Type and No.	Application Date	Area (Ha)	Area (km ²)
Exploration Licence L 47/5055	3/11/2023	949.77	~9.5

10 Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project

11 Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

ANNEXURE D

About Apurimac Iron Ore Project (Peru)

(Strike – 100%)

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



Figure 2: Location of Apurimac Iron Ore Project and Proposed Andahuaylas Railway Route to Port

Apurimac Premium Lump DSO Export Shipments

Strike has completed two shipments (to Chinese and South American Steel Mills) of high-grade (+65% Fe) Apurimac Premium Lump DSO in calendar 2021.

The specifications of the first (35,000 tonne) shipment¹² of Apurimac Premium Lump DSO are as follows:

Fe	SiO ₂	Al ₂ O ₃	P	S	Moisture
65.99	2.76	0.65	0.059	0.09	1.06

The specifications of the second (15,000 tonne) shipment¹³ of Apurimac Premium Lump DSO are as follows:

Fe	SiO ₂	Al ₂ O ₃	P	S	Moisture
65.28	1.64	0.88	0.052	0.09	0.62

Strike is investigating further shipments from Peru, subject to satisfaction with a number of matters including negotiation of an acceptable price (referenced to the benchmark iron ore price) and Strike securing sufficient working capital to fund production to this end.

¹² Refer Strike's ASX Announcements dated 19 August 2021: Maiden Iron Ore Shipment from Peru

¹³ Refer Strike's ASX Announcements dated 29 October 2021: Second Iron Ore Shipment from Peru Completed

JORC Mineral Resource

The Apurimac Project has a JORC Mineral Resource as follows¹⁴:

Category	Concession	Density t/m ³	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%
Indicated	Opaban 1	4	133.71	57.57	9.46	2.54	0.04	0.12
Indicated	Opaban 3 *	4	8.53	62.08	4.58	1.37	0.07	0.25
Inferred	Opaban 1	4	127.19	56.7	9.66	2.7	0.04	0.2
Total Indicated and Inferred			269.4	57.3	9.4	2.56	0.04	0.16

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

Feasibility Studies

Strike completed a Pre-Feasibility Study on the Apurimac Project in 2008¹⁵ (subsequently updated in 2010¹⁶), which indicated the clear potential for development of a world class iron ore project, with competitive capital costs and very low operating costs:

- The 2008 Pre-Feasibility Study undertaken by Snowden Mining Industry Consultants and SKM utilised a proposed slurry pipeline configuration as the preferred transport solution (under the study). For further details, refer to Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru;
- Further infrastructure studies were undertaken by Ausenco Sandwell and SRK Consulting in 2010 with the purpose to further compare the economics of a slurry pipeline versus railway infrastructure solutions at various production levels. For further details, refer to Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report.

In 2021, Ausenco completed a (high level) review of the 2008 and 2010 studies and gap and trade-off analyses to identify opportunities to reduce project capex and increase project execution security, taking into account current cost estimates, technology advancements (since 2010) and current/expected market conditions.

Mineral Concessions

The following mineral concessions are held by Apurimac Ferrum S.A.C.:

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

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

15 Refer Strike's ASX Announcement dated 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru

16 Refer Strike's ASX Announcement dated 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report

JORC CODE COMPETENT PERSON STATEMENTS

- (a) The information in this document that relates to **Mineral Resources and related Exploration Results/Exploration Targets** (as the case may be, as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:

- 4 February 2022: Updated Paulsens East Feasibility Study – Optimised Staged Production and Lower Capex and Opex Costs;
- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns;
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project.

The information in the original announcements that relates to these Mineral Resources and related Exploration Results (as applicable) is based on information compiled by Mr Philip Jones (BAppSc (Geol), MAIG, MAusIMM), who is a Member of the Australasian 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 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 announcements.

- (b) The information in this document that relates to **Ore Reserves** 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:

- 4 February 2022: Updated Paulsens East Feasibility Study – Optimised Staged Production and Lower Capex and Opex Costs;
- 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

The information in the original announcements that relates to these Ore Reserves is based information compiled by Mr Harry Warriess (MSc – Mine Engineering, AusIMM), who is a Fellow of AusIMM. Mr Warriess is the Principal of Mining Focus Consultants Pty Ltd, a Consultant to Strike Resources Limited. Mr Warriess 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 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 announcements.

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

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

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

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

FORWARD LOOKING STATEMENTS

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

For personal use only