

MARKET ANNOUNCEMENT

Export Allocation Received for Paulsens East

HIGHLIGHTS

- Export allocation at Utah Point, Port Hedland confirmed by Pilbara Ports Authority for Paulsens East Stage 1 Production
- Stage 1 Production to focus on high grade surface detrital ore and low strip ratio material of up to 400,000 tonnes
- Stage 2 Production proposed at an annualised rate of 1.5 – 2Mtpa through Port of Ashburton in Onslow (reducing trucking distance by ~365kms), with Stage 2 ramp-up expected to be substantially self-funded from Stage 1
- Final Investment Decision pending finalisation of project financing

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to advise that it has received confirmation from the Pilbara Ports Authority (**PPA**) for Strike to export iron ore through the Utah Point Multi-User Bulk Handling facility at Port Hedland (**Utah Point**) for its planned 'Stage 1' production of direct shipping iron ore (**DSO**) during CY 2022 from its Paulsens East Iron Ore Mine (**Paulsens East**).

The approval received from PPA for export allocation is subject to Strike making a Final Investment Decision (**FID**) on the Project, Strike and PPA finalising a Logistics Plan with respect to haulage into the Utah Point facility and PPA undertaking a site visit to the Paulsens East mine site (once operational), to complete PPA's product approval process.

A Final Investment Decision by the Company on Stage 1 production from Paulsens East is now pending the finalisation of contracts with key contractors and service providers and the finalisation of the structure and terms for project financing.

Production Stage 1

Under Strike's planned Stage 1 production, the Company plans to focus on high grade surface detrital and low strip ratio material to produce up to 400,000 tonnes of DSO Lump and Fines products iron to be shipped through Utah Point, with estimated average product Lump grade of ~62% Fe and Fines grade of ~59% Fe. Metallurgical test work indicates that a 75/25 (or higher) Lump/Fines split can be expected where Lump ore typically attracts a price premium compared to Fines.¹

Mining, crushing and screening and haulage operations will be undertaken by specialist contractors with overall supervision and management provided by Strike's 'Owner's Team'.

The processed Lump and Fines products will be trucked from the mine to Utah Point predominantly by sealed road, where it will be stockpiled prior to being loaded directly into ocean going vessels (**OGV's**) for export to customers.

¹ Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns



Strike has been provided 200,000 tonnes of annualised export allocation from PPA (calculated per financial year July to June), affording Strike the ability to deliver up to 400,000 tonnes of export through Utah Point during the 2022 calendar year. This coincides with Strikes planned Stage 2 time framework to transition to exporting through the Port of Ashburton at Onslow, at an annualised rate of 1.5-2 Mtpa.

The Stage 2 production provides the benefit of a significantly shorter haulage distance of ~235 kilometres compared with ~600 kilometres to Utah Point.



Figure 1: Paulsens East Project and Port Locations

Production Stage 2

Stage 2 production will focus on a ramp up in annual throughput through conventional open pit mining of the ridge of iron ore that contains the current JORC Indicated iron ore Mineral Resource of **9.6 Million tonnes at 61.1% Fe**, 6.0% SiO₂, 3.6% Al₂O₃, 0.08% P (at a cut-off grade of 58% Fe)² to an annualised production rate of 1.5 Mtpa.

Strike is currently targeting the additional capital requirements for the Stage 2 ramp up to be funded from earlier cashflows generated from the Stage 1 production exported through Utah Point.

Stage 2 will also involve a scale up in the contracted mining fleet, expansion of mine site personnel and additional working capital requirements to facilitate the larger annualised production rate.

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

The Port of Ashburton reduces the trucking distance by approximately 365 kilometres from Paulsens East compared with Utah Point, leading to significantly improved Project economics. PPA has confirmed the use of the Port of Ashburton for export of iron ore by Strike subject to environmental permitting requirements and Port operation approvals being obtained by Strike.

Strike confirms that after consultation with the PPA, a Works Approval Application was lodged with the Department of Water and Environmental Regulation (**DWER**) on 14 October 2021 in respect of seeking approvals (pursuant to environmental legislation and regulations) for proposed operations at the Port of Ashburton.

Strike plans to finalise port operational requirements and logistics with the PPA during the DWER Works Approval review period (which is expected to proceed in the normal course), with the utilisation of the Port of Ashburton to be subject to normal commercial terms offered by the PPA for the use of Port facilities.

Loading of ore will be through transshipment operations with Strike having selected a preferred operator. Strike is currently finalising the terms of a transshipping contract with its preferred transshipment operator.

Strike also confirms it has lodged Miscellaneous Licence and General Purpose Lease applications for an area close to the Port of Ashburton to be used as a staging area for iron ore stockpiles prior to ship loading at the Port of Ashburton.

William Johnson, Managing Director:

The receipt of confirmation from PPA of export allocation at Utah Point is another key milestone in the advancement of the Paulsens East Project. Strike is now focussed on finalising contracts with key contractors and the structure and terms of project financing for Paulsens East before making a final investment decision on Stage 1 production.

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 1.5 Mtpa Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has commenced mining of high-grade surface deposits and entered into an offtake agreement with an international iron-ore trading firm to export the "Apurimac Premium Lump" DSO product of ~65% Fe. Strike has a 43% shareholding in Lithium Energy Limited (ASX:LEL), which was recently spun-out of Strike under a \$9M IPO. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.

JORC RESOURCES AND RESERVES

The Paulsens East Iron Ore Project has a JORC Code (2012 Edition) compliant Indicated Mineral Resource:

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

Part of the JORC Indicated Mineral Resource has been converted to a JORC Probable Ore Reserve:

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

JORC CODE (2012) COMPETENT PERSON STATEMENT

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 dated:

- 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, and fairly represents, information and supporting documentation prepared 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 (referred to above). 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 (referred to above).

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:

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

The information in the original announcement that relates to these Ore Reserves is based on and fairly represents information and supporting documentation compiled by Mr Harry Warries (MSc – Mine Engineering, FAusIMM), who is a Fellow of AusIMM. Mr Warries is the Principal of Mining Focus Consultants Pty Ltd, a Consultant to Strike Resources Limited. Mr Warries 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 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 (referred to above). 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 (referred to above).

The information in this document that relates to **metallurgical sampling, metallurgical testing and metallurgical results undertaken during 2019** 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:

- 10 October 2019: Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities.

The information in the original announcements that relates to these metallurgical test work matters is based on and fairly represents information and supporting documentation compiled by Mr Philip Jones (BAppSc (Geol), MAIG, MAusIMM), who is a Member of the AusIMM and AIG. Mr Jones is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) on samples collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork reports. 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 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 (referred to above). 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 (referred to above).

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 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 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 (referred to above). 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 (referred to above).

The information in this document that relates to **Other Exploration Results and Exploration Targets** (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:

- 14 October 2020: Discovery of High-Grade Iron Rich Detritals at Surface at Paulsens East
- 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project
- 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource at Paulsens East

The information in the original announcements that relate to these Other Exploration Results and Exploration Targets (as applicable) is based on, and fairly represents, information and supporting documentation prepared by Mr Hem Shanker Madan (Honours and Masters Science degrees in Applied Science), who is a Member of AusIMM. Mr Madan is an independent contractor to Strike Resources Limited and was formerly the Managing Director (September 2005 to March 2010) and Chairman (March 2010 to February 2011) of Strike Resources Limited. Mr Madan 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 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 (referred to above). 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 (referred to above).

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 the Company, 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 the Company 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. The Company 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. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.