

MARKET ANNOUNCEMENT

Marine Environmental Works Approval Received for Port of Ashburton Transshipment Operations

SUMMARY

- Marine-side Works Approval has now been granted for export of iron ore from the Port of Ashburton, Onslow
- The Works Approval issued by DWER under the *Environmental Protection Act 1986* allows Strike to undertake bulk unloading of iron ore from a Transshipment Vessel to Ocean Going Vessels in a designated anchorage area off the Port of Ashburton
- Works Approvals based upon assessed iron ore export capacity of up to 1.8 Mtpa
- Strike has now received all DWER approvals required to commence export operations from the Port of Ashburton

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to advise that the WA Department of Water and Environmental Regulation (**DWER**) has granted a second Works Approval under the *Environmental Protection Act 1986* for offshore marine operations, principally related to the Category 58 bulk loading of up to 1.8 Mtpa (10,000 tonnes per day) of iron ore from a Transshipment Vessel to Ocean Going Vessels in a designated offshore anchorage area ~14 nautical miles from the Port of Ashburton in Onslow.

Strike received an earlier (landside) Works Approval from DWER in July 2022 to undertake Category 58 bulk loading and unloading of up to 1.8 Mtpa (10,000 tonnes per day) of iron ore from the Port of Ashburton.¹

The securing of these key regulatory Works Approvals in respect of the Port of Ashburton now complete all DWER approvals required for the commencement of export operations from the Port of Ashburton and are important steps in the Stage 2 development plans of Strike, which involve the export of up to 1.8 Mtpa of iron ore from its Paulsens East Iron Ore Project.

The Port of Ashburton is proposed as a longer term export solution for Strike given its far closer proximity to the Paulsens East Iron Ore Project (~235km) versus Utah Point in Port Hedland (~650km) (refer Figure 1), leading to significantly lower trucking costs from mine to port.

The (marine-side) Works Approval is subject to a number of usual conditions relating to offshore transshipment bulk loading operations including compliance with aspects of the International Maritime Organisation (IMO) *International Convention for the Prevention of Pollution from Ships* (MARPOL), specifications for the operation of the Transshipment Vessel, environmental monitoring and established loading patterns to minimise the impact of dust generation.

¹ Refer Strike's ASX Announcement dated 27 July 2022: Environmental Works Approval Received for Ashburton Port

About Paulsens East Iron Ore Project

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

Strike has undertaken Paulsens East Stage 1 Production, involving the mining of surface detrital material and crushing, screening and Ore Sorter processing to produce Paulsens East Lump direct shipping iron ore (**DSO**) (grading 62% Fe), with road train haulage to the Utah Point Multi-User Bulk Handling Facility (**Utah Point**) at Port Hedland for export.

Strike is undertaking its Paulsens East Stage 2 Development, 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 transhipment operations) through the Port of Ashburton near Onslow.

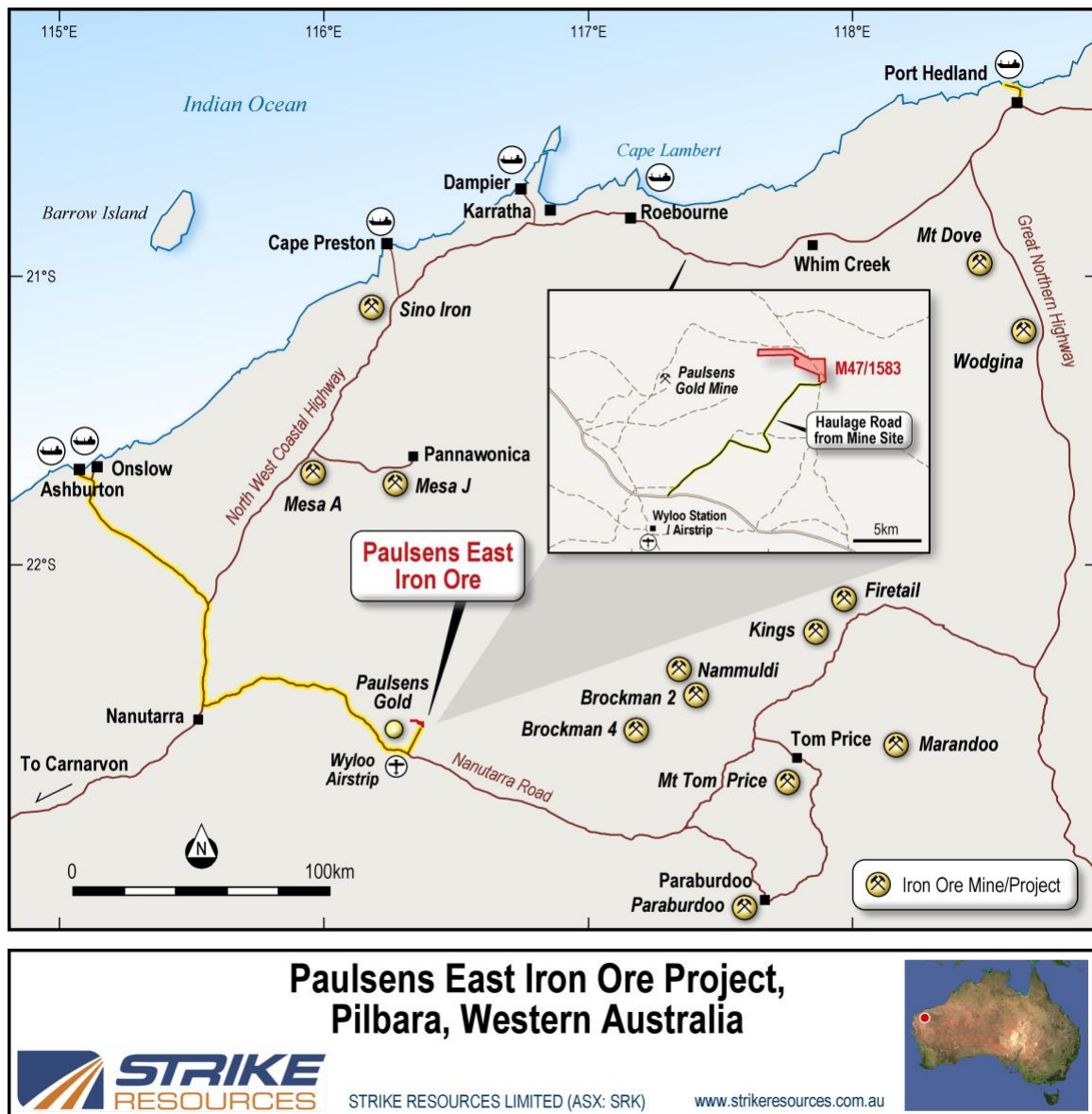


Figure 1: Paulsens East Iron Ore Mine Location – Haulage Route to Port of Ashburton

Development Options for Paulsens East

Strike (25%) has also formed a Port of Ashburton Consortium with future iron ore producer CZR Resources Ltd (ASX:CZR) (50%) and transhipment services provider CSL Australia Pty Ltd (25%) 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.²

The current Works Approvals received to date allow Strike to commence its Stage 2 Development plans for Paulsens East as a stand alone operation or serve as a base for the Port of Ashburton Consortium to build upon the current approvals received by Strike to expand proposed operations up to 5Mtpa with separate Works Approvals being obtained by the Consortium using the Strike Works Approvals as a precedent for proposed expanded operations.

Strike proposes to advance both development options in parallel to determine an optimal commercial outcome, both in terms of maximising operating efficiencies as well as minimising time to market for its Stage 2 Development plans for Paulsens East.

Paulsens East Iron Ore Deposit

Paulsens East consists of a three-kilometre-long outcropping high-grade hematite ridge (refer Figure 2), containing a **JORC Indicated 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).³



Figure 2: Paulsens East Hematite Ridge

Table 1 shows the Paulsens East JORC Indicated Mineral Resource for a range of cut-off grades:

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

Table 1: Paulsens East JORC Indicated Mineral Resource estimate from Hematite Ridge using a range of lower cut-off wireframes

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 of 6.2 million tonnes at 59.9% Fe**, 7.43% SiO₂, 3.77% Al₂O₃ and 0.086% P (at a cut-off grade of 55% Fe).⁴

- 2 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
- 3 Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project
- 4 Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

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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 43% 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 Graphite Project in Queensland.

JORC CODE (2012) COMPETENT PERSON STATEMENTS

The information in this document that relates to **Mineral Resources** (Hematite Ridge and Detritals) **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, 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. 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.

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 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 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.

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.