

MARKET ANNOUNCEMENT

Peruvian Government Approves Viability Study for San Juan de Marcona-Andahuaylas Railway

HIGHLIGHTS

- The Peruvian Government has completed technical studies confirming the viability of the San Juan de Marcona-Andahuaylas railway project (**Marcona-Andahuaylas Railway Project**).
- The Peruvian Government will now initiate a construction tendering process and estimates that construction could commence between 2026/2027 with a targeted completion date by 2032.
- The Marcona-Andahuaylas Railway Project cost is estimated at USD\$8.16 billion, with the government considering construction and financing under a Government to Government (**G2G**) scheme.
- Interest in the project by the Chinese and other Governments has already been confirmed, following a recent state visit to China led by President Dina Boluarte.
- The Peruvian Government has also announced the creation of a Joint Commission between China and Peru aimed at facilitating a portfolio of Government to Government (G2G) projects in infrastructure and services together with the creation of a new dedicated Ministry of Infrastructure to centralize investment promotion under a single agency.
- The Peruvian Government has also recently awarded a contract worth approximately US\$405 million for the construction and operation of a new Port Terminal at San Juan de Marcona with a capacity of around 40 Million tonnes per annum (**Mtpa**).
- Upon completion by the targeted 2032 date, the railway would connect Strike's Apurimac Iron Ore Project (**Apurimac Project**) directly to the new Marcona Port Terminal and potentially provide an externally funded, high-capacity infrastructure solution for the Apurimac Project.

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to announce an important development regarding Peru's infrastructure landscape which could have a significant positive impact on the Company's Apurimac Project, being the recent approval by the Peruvian Government of technical studies confirming the viability of the proposed San Juan de Marcona-Andahuaylas Railway Project. This approval marks a major milestone in the development of this railway project and underscores Peru's proactive stance in promoting mining and economic development through various infrastructure initiatives.

The Peruvian Government, through the Ministry of Transport and Communications (**MTC**) has formally approved an investment study that was completed to examine the viability of the proposed San Juan de Marcona-Andahuaylas railway.¹ This railway is proposed to commence adjacent to the Company's Apurimac Project and terminate at the Port of San Juan de Marcona (refer Figure 1).

¹ Refer to Ministry of Transport and Communications Press Release dated 23 July 2024: The viability of the Lima-Ica and San Juan de Marcona - Andahuaylas railways was approved
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With the MTC having completed its approval process, the MTC has confirmed that it will now move to a tendering and subsequent construction phase with construction scheduled to commence between 2026 and 2027 and with a targeted completion date by 2032. The Marcona-Andahuaylas Railway Project is proposed to operate under a 40-year concession model, managed by a single operator responsible for its operation and maintenance.²

This strategic initiative by the Peruvian Government is part of Peru's broader plan to expand its railway network by 1,934 kilometres across six new rail networks, positioning the Marcona-Andahuaylas railway as a national priority and one of the two most advanced rail projects in development in Peru.³



Figure 1 – Map of Peruvian Government's planned railway network expansion (Source: MTC)

The Marcona-Andahuaylas Railway Project is projected to cost USD\$8.16 billion and is proposed to be executed under a Government to Government (G2G) scheme.⁴ Following the technical sign-off by the Peruvian Government, MTC has made a number of positive comments highlighting the importance of the Marcona-Andahuaylas Railway Project including confirming interest from the Chinese Government after a recent state visit to China led by President Dina Boluarte.⁵ Interest in the Marcona-Andahuaylas Railway Project has also been received from governments of Canada, France and Germany.⁶

Following on from the state visit of the President of Peru to China, the President of Peru has also announced the creation of a Joint Commission between China and Peru aimed at facilitating a portfolio of Government to Government (G2G) projects in infrastructure and services. It was also announced that a new dedicated Ministry of Infrastructure would be created to centralise investment promotion under a single agency.⁷

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- 2 Refer to Ministry of Transport and Communications Press Release dated 5 July 2024: Minister Pérez Reyes presents priority projects exhibited in China
 - 3 Refer to Ministry of Transport and Communications Press Release dated 5 July 2024: Minister Pérez Reyes presents priority projects exhibited in China
 - 4 Refer to Ministry of Transport and Communications Press Release dated 23 July 2024: The viability of the Lima-Ica and San Juan de Marcona - Andahuaylas railways was approved
 - 5 Refer to Ministry of Transport and Communications Press Release dated 27 June 2024: Government in China promotes US\$31 billion railway project portfolio
 - 6 Refer to Ministry of Transport and Communications Press Release dated 5 July 2024: Minister Pérez Reyes presents priority projects exhibited in China
 - 7 Refer to Bloomberg Media Release dated 28 July 2024: Peru's Boluarte Promises Infrastructure Spree in 5-Hour Speech and refer to MSN Media Release dated 28 July 2024: Boluarte announces that China will be in charge of the largest infrastructure projects in Peru

The Peruvian Government has also recently awarded a contract worth approximately US\$405 million to the Chinese company, Terminal Portuario Jinzhao Perú S.A., for the construction and operation of a new Port Terminal at San Juan de Marcona with a capacity of around 40 Million tonnes per annum (**Mtpa**).⁸ This port development, in conjunction with the Marcona-Andahuaylas railway, forms a proposed integrated transport export corridor starting from Andahuaylas Airport near Strike's Apurimac Iron Ore Project and ending at the Marcona Port Terminal. The port's development assumes that Strike's Apurimac Project could contribute up to 50% (20Mtpa) of the port's total freight.⁹

Strike is very pleased with these recent developments on the potential construction of a railway that will link its Apurimac Project to the proposed new Marcona Port Terminal and potentially provide an externally funded, high-capacity infrastructure solution for this project.

Strike now plans to work with the MTC and other relevant stakeholders to plan for the integration of the proposed Marcona-Andahuaylas Railway and Marcona Port Terminal into a conceptual large scale mining operation at its Apurimac Project.

Background: Apurimac Iron Ore Project – JORC Mineral Resource

The Apurimac Project (Strike – 100%) has a JORC Code (2012 Edition) compliant Mineral Resource of 269.4 Mt, consisting of:

- a 142.2 Mt Indicated Mineral Resource at 57.8% Fe; and
- a 127.2 Mt Inferred Mineral Resource at 56.7% Fe.

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

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

* 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.

In addition to the current JORC Mineral Resource, there is significant exploration potential given the deposits are open at depth and along strike (with very promising drill results including 154m @ 62% Fe) with extensive undrilled gravity and magnetic anomalies.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which owns the high grade Apurimac Iron Ore Project in Peru where it has exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike also has a 27.7% (31.01 Million shares) interest in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9 Million 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.

8 Refer PROVERSION Statement dated 22 March 2024: State awards the development of the project "New Port Terminal of San Juan De Marcona"

9 Refer PROVERSION Presentation dated 2 May 2024: Presentation of new port investment opportunity - New Port Terminal of San Juan de Marcona

JORC CODE (2012) COMPETENT PERSON'S STATEMENT

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, and fairly represents, information and supporting documentation prepared by Mr Ken Hellsten, B.Sc. (Geology), who is a Fellow of the Australasian Institute of Mining and Metallurgy (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 which he is undertaking 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.

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.