

MARKET ANNOUNCEMENT

Contractors Selected and Access Agreements Secured for Paulsens East

HIGHLIGHTS

- Key contractors selected and 'Early Contractor Involvement' (ECI) Services Agreements executed for drill and blast, mining and crushing and civil works
- All Access Agreements have been executed with Pastoral Lease and Mining Tenement stakeholders, paving the way for DMIRS to finalise their approval of the Mining Proposal
- Ore sorting equipment purchased at auction
- Further long lead time items secured

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to provide the following updates in relation to its Paulsens East Iron Ore Mine (**Paulsens East**).

Contractor Selection

Following an extended process of evaluation of submissions from multiple parties, Strike has entered into Early Contractor Involvement (**ECI**) Services Agreements with the preferred contractors to provide drill and blast, mining, crushing and screening services and civil works (including the haulage road and mine site) for Paulsens East.

Dynamic Drill and Blast (ASX:DDB) have been selected for the provision of drill and blast services. DDB is an ASX listed supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia, with a focus on the iron ore, lithium and gold commodity sectors.

Lucas Total Contract Solutions (**Lucas**) have been selected for the provision of mining, crushing and screening services. In addition, Lucas will be undertaking the civil works required for Paulsens East, including construction of the 18km haulage road (from the mine site to Nanutarra Road), establishment of the Mining Operations Centre (MOC) and siteworks for the mining village.

Lucas is a privately owned company founded in 1969. Lucas has undertaken and built significant mining, energy and civil construction projects throughout Australia, with current contract mining operations and civil projects in Western Australia.

Strike is currently working with both parties to finalise the detailed scope of services, schedules and formal contractual terms of engagement.



All Third-Party (Pastoral Lease and Mining Tenement Holder) Access Agreements Now Executed, Paving Way for Grant of Remaining Miscellaneous Licence and DMIRS Approval of Mining Proposal

In order for the Mining Proposal to be approved by the Department of Mines, Industry, Regulation and Safety (**DMIRS**) for Paulsens East, all necessary Miscellaneous Licences (**ML's**) relating to the Project must first be granted (by DMIRS). The granting of ML's is subject to the right of impacted third-parties (underlying pastoral lease and mining tenement holders) to object to their grant.

In addition to the main Mining Lease (M47/1583), Paulsens East has a number of ML's which principally relate to the proposed haulage road and proposed mining village. Only one ML (being L47/934 for the proposed haulage road) remains to be granted, as it was (until recently) subject to objection by a third-party mining tenement holder. All other ML's have already been granted by DMIRS.

The Company is pleased to confirm that the final objection on L47/934 has now been withdrawn after the execution of an Access Deed with the underlying tenement holder. With the execution of this Deed, the last outstanding ML is expected to be granted by DMIRS during the next two to four weeks.

Once L47/934 is granted and subject to DMIRS having no further issues with any technical or environmental aspects of the Mining Proposal, DMIRS is expected to approve the Mining Proposal for Paulsens East shortly thereafter.

Processing Equipment Purchased

Strike is pleased to report that it has recently made an investment in acquiring a second-hand ore-sorter, ancillary materials handling and control room equipment together with conveyors that were recently sold at auction, resulting in a significant saving in Project capital costs.

Strike is planning to use specialised ore-sorters as part of its processing flowsheet, to assist with the optimisation of the production of high-grade lump ore from the mine. To deliver the required throughput for the mine, a total of up to three ore-sorters will be required.

Further Long-lead items Secured

To enable the Company to move to production as quickly as possible once it makes a Final Investment Decision (FID) on Paulsens East, Strike is embarking on a programme of securing and/or acquiring a number of long-lead time items which are considered critical path items for delivering the Project.

For example, as previously reported¹, Strike has secured an order placed for 13 Ultra Quad Road Trains (comprising 13 prime movers and 52 trailers) for exclusive use on Paulsens East.

Strike has now entered into a contract with Telstra to commence works on establishing suitable communications infrastructure for the mine site and village. Due to the remote location, a dedicated microwave tower on site is required together with associated voice and data equipment. The construction of the tower and provisioning of the service will be critical for safe and effective communications during the construction and operational phase of the mine.

¹ Refer Strike's ASX Announcement dated 20 May 2021: Strike Continues to Advance Paulsens East Iron Ore Project Towards Final Investment Decision

William Johnson, Managing Director:

With the final objection to the haulage road miscellaneous licence now being withdrawn, the Company expects to shortly have all of its necessary licences and permits required to commence operations at Paulsens East.

Strike is also very pleased to confirm the selection of its preferred contractors for the critical drill and blast, mining, crushing and civils aspects of the Project. With Campbells Transport already selected as its preferred haulage contractor, the Company has now selected all of its key contractors for Paulsens East.

The securing of further long lead time items together with the ore sorter and associated equipment are important steps as the Company advances towards making a final investment decision on Paulsens East.

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources Limited is an ASX listed resource company which is developing the 1.5Mtpa 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.

FORWARD LOOKING STATEMENTS

This announcement 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.