

MARKET ANNOUNCEMENT

Contractors Mobilise to Commence Production at Paulsens East and Draw-Down under Loan Facility

SUMMARY

- Mining contractors have mobilised to site and production of lump DSO has commenced at the Paulsens East Iron Ore Mine
- Construction of the ~18km haulage road to connect the Mine to the public Nanutarra Road is advancing on schedule and is ~40% complete
- Strengthening iron ore prices continue to be a positive indicator for attractive margins at Paulsens East
- First (US\$2.5 Million) draw-down under a US\$7.2 million (~A\$9.6 Million) loan facility received to fund mine development and production

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to announce that a major milestone for the Company has been reached with mining contractors having mobilised to site and mining operations having commenced at the Paulsens East Iron Ore Project (**Paulsens East**).

Equipment mobilised includes excavators, screens and an on-site sample laboratory, with production to generate the first stockpiles of lump direct shipping ore (**DSO**) for shipment currently underway.

This DSO will be stockpiled on-site ready for transport to Utah Point once the 18km haulage road (**Haul Road**) between the Paulsens East mine site and the public Nanutarra-Munjina Road (**Nanutarra Road**) currently being constructed is completed (refer Figure 3).

In this regard, Strike is also pleased to report that construction of the Haul Road (refer Figures 1 and 2) is progressing well and is on schedule.

Approximately 80% of the Haul Road has now been cleared and grubbed, and approximately 40% has been formed and shaped to its final profile. No drill and blast has been or is expected to be required. The Haul Road is expected to be completed within a further 6 – 8 weeks.

Once the Haul Road is completed, four trailer 'quad' road-trains will carry DSO from the mine along the Haul Road to Nanutarra Road. From there, trucks will travel west along Nanutarra Road before heading north along the North West Coastal Highway to Port Hedland for export (refer Figure 3).

The Company also confirms that it has received the first draw-down of US\$2.5 Million from Good Importing International Pty Limited (**GII**) pursuant to a loan facility entered into with GII.¹ These funds will be applied towards the construction of the Haul Road and initial mine development and production.

¹ Refer SRK ASX Announcement dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project



Managing Director, William Johnson:

We are delighted with the positive progress made with the Paulsens East Haulage Road. With contractors now mobilising to site to commence production, this is a further significant milestone in the development of Paulsens East. With iron ore prices strengthening to above US\$150/t, the timing could not be better to bring the Pilbara's next iron ore mine into production.



Figure 1: Progress with Construction of Haul Road (1)



Figure 2: Progress with Construction of Haul Road (2)

About Paulsens East Iron Ore Mine

Paulsens East is located ~10km from Northern Star Resources Limited's (ASX:NST) Paulsens Gold Mine, ~235km by road east of Onslow (and Port of Ashburton) and ~600km by road south of Port Hedland in the Pilbara, Western Australia (refer Figure 3).

Paulsens East Stage 1 Production will focus on mining surface detrital and low strip ratio materials to be shipped through the Utah Point Multi-User Bulk Handling Facility at Port Hedland.²

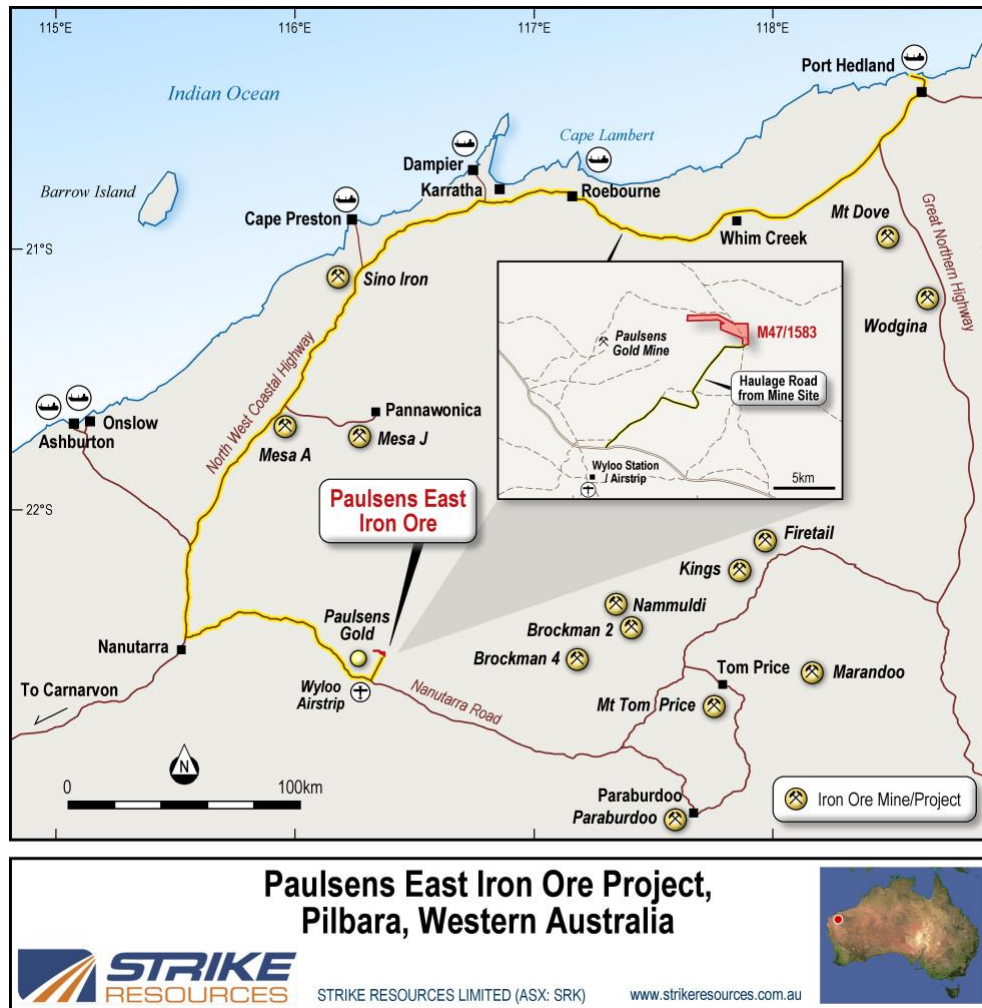


Figure 3: Paulsens East Iron Ore Mine Location – Haulage Route to Port Hedland

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 is developing the Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has commenced exporting “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.

² Refer Strike's ASX Announcement dated 4 February 2022: Updated Paulsens East Feasibility Study – Optimised Staged Production and Lower Capex and Opex Costs