

MARKET ANNOUNCEMENT

Port Access Finalised, First Iron Ore Shipment From Paulsens East Targeted for July

SUMMARY

- Utah Point Multi User Access Agreement executed with Pilbara Ports Authority (PPA) for the export of Paulsens East iron ore out of Port Hedland
- 'First ore on ship' of up to 55,000 tonnes now targeted for July 2022
- Construction of private Haul Road from mine to existing major road network (Nanutarra-Munjina Road) nearing completion
- Additional crushing and screening equipment mobilised to site to accelerate production and optimise product quality
- Ore Sorter mobilised to site to further optimise production of high grade (62% Fe) Paulsens East Lump DSO
- DWER Works Approval application for landside operations at Port of Ashburton (Stage 2 Development) well advanced with approval expected shortly

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to provide an update on mining operations at its Pilbara Paulsens East Iron Ore Project (**Paulsens East**) and the imminent first shipment of Iron Ore.

Executed Agreement to Utilise Utah Point, Port Hedland for Shipment of Iron Ore

Strike has executed a formal Combined Multi-Users Access and Licence Agreement (**MUA**) with the Pilbara Ports Authority (**PPA**). Under the MUA, Strike has secured access subject to Strike and PPA finalising a Logistics Plan to the Utah Point Multi-User Bulk Handling Facility at Port Hedland for the export of 200,000 tonnes of iron ore per financial year.

The execution of the MUA followed a successful visit by PPA to the Paulsens East mine site in May 2022. Strike plans to commence hauling Paulsens East Lump DSO into its allocated stockpile bunker at Utah Point in July 2022.

First Ore on Ship

Strike is targeting first shipment of approximately 55,000 tonnes of Lump by the end of July 2022.

The indicative specifications for Paulsens East Lump DSO is as follows:

Fe	SiO ₂	Al ₂ O ₃	P	S	TiO ₂	LOI
62%	7.0%	3.0%	0.105%	0.015%	0.20%	2.5%



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Strike is in on-going discussions with its marketing agent and project finance provider, Good Importing International Pty Limited (**GII**)¹, in relation to securing a sales contract with a Chinese Steel Mill customer for its maiden export shipments of Paulsens East Lump DSO.

Given the high grade of Strike's proposed product and its predominantly lump composition, Strike is seeking sales contracts with Chinese steel mills that recognise the superior nature of Strike's iron ore product.

Strike and GII are also exploring hedging arrangements to lock in a fixed sales price for its first shipment(s) to provide more certainty around cash flows and profits.

Mining Operations

Mining operations have continued with the excavation and screening of surface detrital iron ore on the northern slopes of the Paulsens East Hematite Ridge (refer Figures 1 to 3).



Figure 1: Excavation of Detritals Iron Ore on Northern Slope of Paulsens East Hematite Ridge

There were unseasonably heavy rain events in the Pilbara during May 2022 which impacted upon mining operations. Mining activities resumed after periods of delay and disruption.

Additional crushing and screening equipment has been mobilised to site and is now operational, to accelerate production and optimise product quality.

Notwithstanding the delays caused by rain, stockpiles of ore are being progressively expanded (refer Figures 3 and 4) and Strike is targeting first shipment of approximately 55,000 tonnes of high-grade DSO material in late July 2022, subject to completion of the Haul Road.

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



Figure 2: Mining of Detritals Iron Ore at Paulsens East



Figure 3: Detritals Mining and Stockpile Areas with Paulsens East Hematite Ridge in Background



Figure 4: Stockpile of Paulsens East Lump DSO

Ore Sorter Technology

Strike has secured a Steinert KSS Combination Ore Sorter, which has been mobilised to site for commissioning in late June 2022.

The Ore Sorter uses sophisticated x-ray imaging in conjunction with compressed air to separate waste from crushed and screened high-grade ore (refer Figure 5), which will facilitate the consistent production of higher value high-grade lump DSO at Paulsens East.



Figure 5: Steinert Ore Sorter Unit² being mobilised to Paulsens East

² For illustrative purposes only

Over the past 2 years, Strike has conducted detailed characterisation and performance testwork of the ore sorter technology, which has confirmed the amenability of the Paulsens East iron ore to increasing grades and reduction of contaminants in the lump produced. Recent testwork conducted on the detritals material specifically with the Ore Sorter manufacturer, Steinert, confirms that the Paulsens East ore is very well suited to the use of this technology. Paulsens East iron ore is consistently high grade and very dense and the much lower density waste material is easily distinguishable as such by the Ore Sorter, enabling high recoveries of DSO and efficient waste ore separation.

The Ore Sorter is being utilised at this early stage of operations to maximise the recoveries of high-grade surface detrital material and to ensure that first shipments of ore from Paulsens East set the standard for subsequent shipments iron ore from this high-grade deposit.

Haul Road

Construction of the 18km private haulage road to connect the Paulsens East mine to the public Nanutarra-Munjina Road (**Haul Road**)³ is now nearing completion (refer Figures 6 and 7) and the civil contractor has now demobilised from site. The Haul Road has successfully connected to the mining operations and the road train load out location at the mine site.

Unseasonal wet weather has impacted upon final Haul Road completion, which is expected to occur in the next few weeks.



Figure 6: Section of Completed Haul Road

Port of Ashburton Approvals

Strike has been advised by the WA Department of Water and Environmental Regulation (**DWER**) that environmental approvals for the use of the Port of Ashburton for export of iron ore of up to 1.8Mtpa by the Company is well advanced, with the Works Approval for landside operations expected to be issued shortly. The Works Approval application for the offshore marine operations is also progressing well in the normal course.

The Port of Ashburton is proposed as a longer term export solution for Strike given its far closer proximity to Paulsens East (~235km) versus Utah Point (~600km), leading to significantly lower trucking costs from mine to port.

³ Refer Strike's ASX Announcement dated 14 March 2022: Development Underway at Paulsens East Iron Ore Project as Construction of Haulage Road Begins

Strike will continue to update the market on the advancement of export operations from the Port of Ashburton as they occur.

About Paulsens East Iron Ore Mine

Paulsens East is located ~10km from the 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 7).

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.⁴

Stage 2 Development will involve a ramp up in annual throughput through conventional open pit mining of the Paulsens East hematite ridge to an annualised production rate of up to ~2Mtpa, with export (via transhipment operations) through the Port of Ashburton at Onslow and Utah Point at Port Hedland.⁴

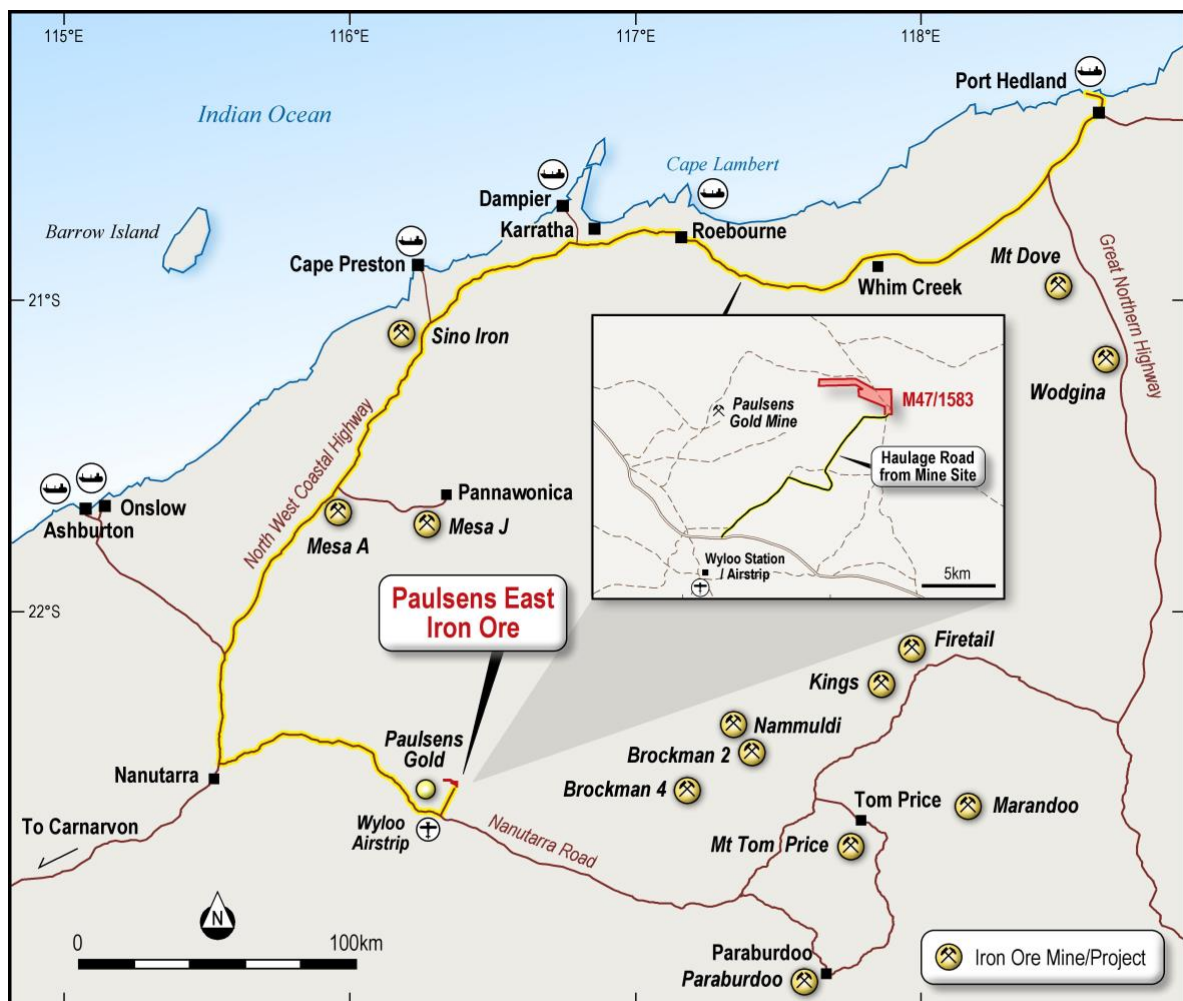


Figure 7: Paulsens East Iron Ore Mine Location – Haulage Route to Port Hedland

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

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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.