

## QUARTERLY REPORT

### COMPANY DETAILS

ABN: 94 088 488 724

#### PRINCIPAL AND REGISTERED OFFICE

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West Perth WA 6005  
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#### ASX CODE

SRK

#### SECURITIES ON ISSUE

283,750,000 shares  
1,000,000 Broker's Options  
(\$0.33, 3 Jun 2024)  
3,100,000 SIP Options  
(\$0.185, 14 Feb 2025)

#### BOARD OF DIRECTORS

**Farooq Khan**  
(Executive Chairman)

**William Johnson**  
(Managing Director)

**Victor Ho**  
(Executive Director)

**Matthew Hammond**  
(Non-Executive Director)

**Malcolm Richmond**  
(Non-Executive Director)  
**(retired with effect on 5  
December 2023)**

#### COMPANY SECRETARY

**Victor Ho**  
cosec@strikeresources.com.au

#### AUTHORISED FOR RELEASE BY - FOR FURTHER INFORMATION:

William Johnson  
Managing Director  
E | wjohnson@strikeresources.com.au  
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31 January 2024

### HIGHLIGHTS

#### Proposed Divestment of Paulsens East Iron Ore Project

- The Company has entered into a Share and Asset Sale Agreement (**Agreement**) with Miracle Iron Holdings Pty Ltd for the sale of Strike's Paulsens East Iron Ore Project located in the Pilbara, Western Australia.
- Strike will receive A\$20 million on completion with A\$0.5 million deferred consideration payable by Miracle on 30 June 2024.
- Strike will apply part of the sale proceeds to fully discharge the US\$7.2 million loan owed to Good Importing International Pty Ltd (**GII**) with the remaining proceeds intended to be applied towards the advancement of Strike's Apurimac Iron Ore Project in Peru (**Apurimac**) and for working capital purposes.
- In addition, under the Agreement, GII has agreed to terminate the marketing agency and offtake arrangements granted to GII in respect of Apurimac and Paulsens East, in consideration for Strike transferring a 20% interest in Apurimac Ferrum S.A.C. (**AF**), the owner of Apurimac, to JE United Ltd (**JEL**) (a nominee/associate of GII).
- Completion of the Agreement is conditional on receipt of Strike shareholder approval, with a shareholder meeting to be scheduled during March 2024.

#### Corporate

- Malcolm Richmond retired as Non-Executive director.

#### About Strike Resources Limited (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which has developed 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 also has a 31.01m (30%) 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 and Corella Graphite Projects in Queensland.

## SALE OF PAULSENS EAST

On 3<sup>rd</sup> January 2024<sup>1</sup>, Strike announced that it had entered into a Share and Asset Sale Agreement (**Agreement**) with Miracle Iron Holdings Pty Ltd (**Miracle**) for the sale of 100% of the shares in wholly-owned subsidiary, Strike Iron Ore Holding Pty Ltd (**SIOPL**) in consideration of a cash purchase price of A\$20.5 million.

SIOPL is the owner of Paulsens East Iron Ore Pty Ltd (**PEIOPL**), the owner of Strike's Paulsens East Iron Ore Project located in the Pilbara, Western Australia (**Paulsens East**).

Strike will receive A\$20 million on completion with A\$0.5 million deferred consideration payable by Miracle on 30 June 2024.

**Strike will apply part of the sale proceeds to fully discharge the US\$7.2 million loan owed to** Good Importing International Pty Ltd (**GII**) (**GII Loan**),<sup>2</sup> with the remaining proceeds intended to apply towards the advancement of Strike's Apurimac Iron Ore Project in Peru (**Apurimac**) and for working capital purposes.

In addition, under the Agreement, GII has agreed to terminate the marketing agency and offtake arrangements granted to GII in respect of Apurimac<sup>3</sup> and Paulsens East<sup>1</sup>, in consideration for:

- Strike transferring either directly or indirectly a 20% interest in Apurimac Ferrum S.A.C. (**AF**), the owner of Apurimac, to JE United Ltd (**JEL**) (a nominee/associate of GII); and
- payment of A\$2 million by Miracle to GII at completion under the Agreement.

As a condition of the purchase of Paulsens East, Miracle has also requested the cancellation of the Orion Royalty<sup>4</sup> that is payable to CXM Pty Ltd (**CXM**) for iron ore produced from Paulsens East (with CXM being a wholly-owned subsidiary of Orion Equities Limited (ASX:OEQ)) and CXM has agreed to do so on the following terms:

- CXM agrees to terminate and provide releases to Miracle (as the purchaser of Paulsens East) under the Orion Royalty; and
- Miracle agrees to pay \$2 million (with a further \$3 million payment deferred to 30 June 2024) to CXM as consideration for the termination of the Orion Royalty.

A A\$2 million deposit (to be deducted from the purchase price) has been paid by Miracle in accordance with the terms of the Agreement. This deposit is retained by Strike in certain circumstances or will be applied at completion towards the purchase price.

ASX has confirmed that Listing Rule 11.2 applies to the proposed disposal of Paulsens East pursuant to the Agreement. The Company expects to convene a general meeting in early February 2024 to seek shareholder approval for the Proposed Transaction.

Completion of the Agreement is conditional on receipt of Strike shareholder approval under Listing Rule 11.2 and no regulatory step being initiated that could prevent the contemplated transactions from proceeding.

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1 Refer Strike's ASX Announcement dated 3 January 2024: Proposed Divestment of Paulsens East Iron Ore Project

2 Refer Strike's ASX Announcements dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project, 16 December 2022: Update on Paulsens East Project Financing and 4 April 2023: Further Update on Paulsens East Project Financing

3 Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

4 Refer to the following ASX announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements, Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which obliges a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities.

ASX has advised that:

- in accordance with paragraph 4.7 of Guidance Note 12 (Significant Changes to Activities), Strike will be afforded a period of 6 months from the date of the Agreement (being 22 December 2023) to demonstrate to the ASX that it is compliant with Listing Rule 12.1; and
- it will suspend trading in Strike's securities if Strike has not demonstrated compliance with Listing Rule 12.1 to ASX's satisfaction at the end of the 6-month period.

Following completion of the Agreement, the Company intends to focus on the advancement of Apurimac as the Proposed Transaction (as set out further below) provides several strategic benefits in respect of Apurimac, including the early termination of GII's offtake rights and the discharge of the GII Loan. Strike considers that the increased focus on the advancement of Apurimac will provide a sufficient level of operations to justify the continued quotation of its securities.

As a result of Strike having disposed of its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is likely to apply to any future acquisition by Strike, which may require Strike to re-comply with Chapters 1 and 2 of the Listing Rules.

### **Rationale for the proposed divestment of Paulsens East**

Given prevailing market conditions, Strike's significant (US\$7.2 million) liability owed to GII and the significant financial requirements of operating iron ore projects, the Board believes that it is in the best interests of Strike shareholders to dispose of its interest in Paulsens East on the terms negotiated under the Agreement.

The sale of Paulsens East represents strategic benefits to Strike, including the following:

- Strike will receive significant cash consideration (A\$20 million less the ~A\$11 million (US\$7.2 million) to discharge the GII Loan) plus an additional A\$0.5 million deferred cash consideration receivable on 30 June 2024;
- Strike will clear a significant liability (~A\$11 million (US\$7.2 million)) under the GII Loan and quarterly interest payment obligations (at 10% per annum) will no longer be required;
- Strike will accordingly not be required to consider alternative methods of meeting its obligations under the GII Loan, including the further sale of shares it holds in Lithium Energy Limited (ASX:LEL) or a capital raising; and
- the improved working capital position will assist with the potential resumption of direct-shipping iron ore (**DSO**) mining operations at Apurimac.

The disposal of a 20% interest in Apurimac to JEL also provides strategic benefits to Strike, including the following:

- GII's offtake rights for 100% of the iron ore mined from Apurimac will be terminated ahead of its expiry on 31 August 2025, providing flexibility in relation to either the sale of Apurimac or the potential resumption of mining operations (and the sale of DSO to local/other parties) at Apurimac and the obtaining of project financing for the same;
- as a shareholder in AF, JEL will be called upon to contribute its share of funding towards the ongoing ownership costs of Apurimac and the development of Apurimac including the potential resumption of DSO mining operations; and
- post-completion, Strike will continue to retain an 80% interest in Apurimac and will, as the majority controlling interest, effectively maintain management control of Apurimac and its operations.

## PROJECTS

### Paulsens East Iron Ore Project (Pilbara, Western Australia)

(Strike – 100%)

The Paulsens East Iron Ore Project (**Paulsens East** or **Project**) 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 (refer Figure 1).

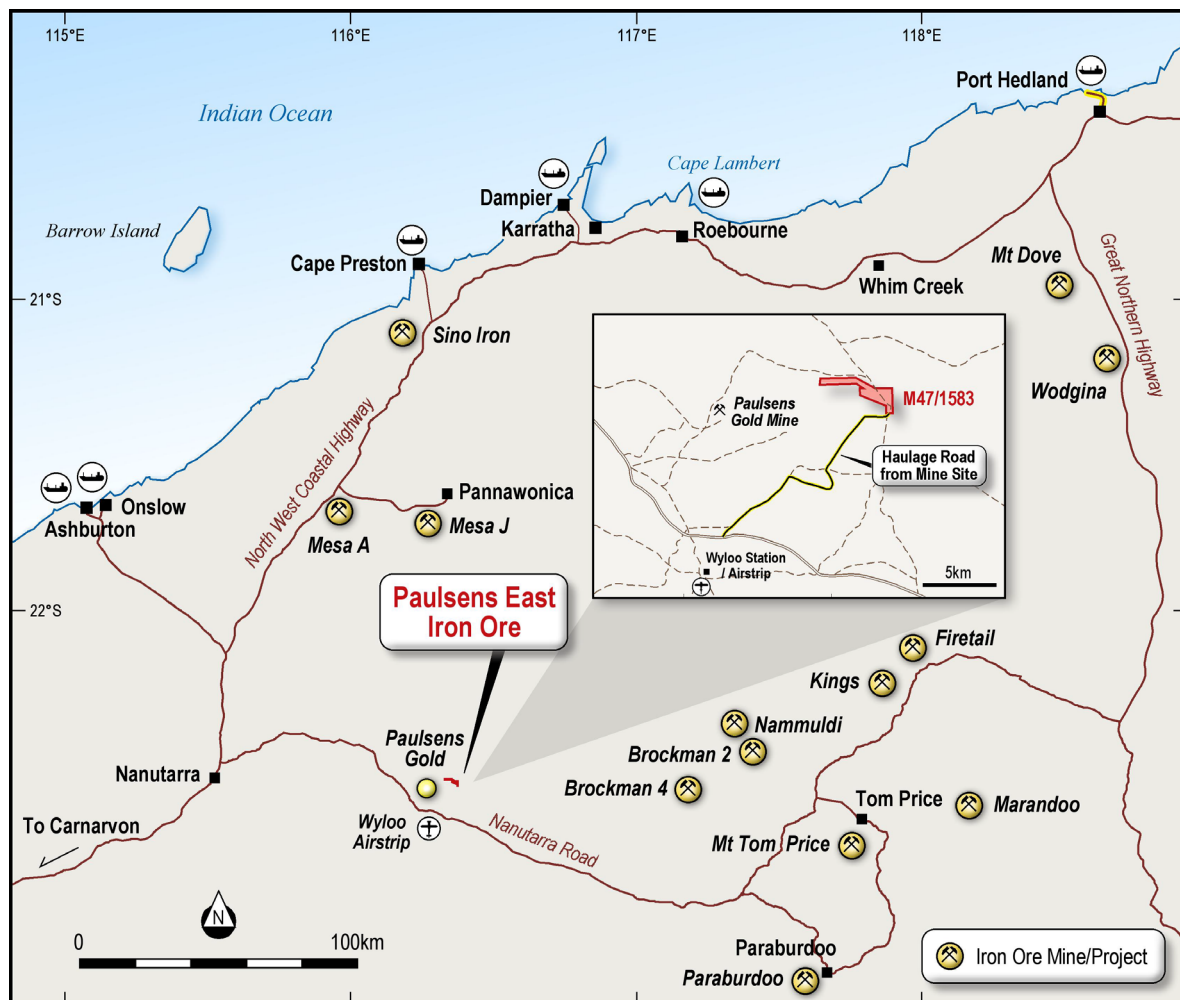


Figure 1: Paulsens East Iron Ore Mine Location – Haulage Routes to Port Hedland and Port of Ashburton

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.



Stage 2 Development of Paulsens East involves 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 transshipment operations) through the Port of Ashburton near Onslow. The sections below highlight the activity undertaken during the quarter regarding the Stage 2 Development of Paulsens East and future Development Options, should shareholder approval for the sale not be received.

### Consortium for Development of Iron Ore Export Facility at Port of Ashburton

Strike, CZR Resources Ltd (ASX:CZR) and transshipment services provider CSL Australia Pty Ltd have entered into a binding Memorandum of Understanding (**MOU**) for the formation of a Port of Ashburton Consortium (**PAC**) 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, Onslow (the **Port of Ashburton Export Facility**)<sup>5</sup> (refer Figures 2 & 3).

Strike, as an existing producer of iron ore from its Paulsens East Iron Ore Project, and CZR, as a future iron ore producer from the development of its Robe Mesa Iron Ore and Ashburton Magnetite Projects, propose to utilise the Port of Ashburton Export Facility for the export of iron ore from their existing and proposed iron mines respectively. Its close proximity to their current and proposed mining operations has the potential to significantly lower trucking costs compared to exporting through Utah Point in Port Hedland. In the case of Strike and its Paulsens East Iron Ore Mine, this involves a trucking distance of ~235km to the Port of Ashburton versus ~650km to Utah Point in Port Hedland (refer Figure 1), significantly reducing trucking costs from mine to port. Both parties believe that combining their export operations through the Port of Ashburton Export Facility provides considerable economies of scale and cost reductions in shipping and transport costs.

CSL Australia is a division of the CSL Group Inc., which is the world's largest owner and operator of self-unloading vessels. CSL Australia currently provides transshipment services for the export of iron ore from Cape Preston in Western Australia and Whyalla in South Australia. CSL has considerable experience in the loading and transportation of bulk materials including iron ore and has agreed to join the PAC as a part-owner of the Port of Ashburton Export Facility and to provide transshipment services to Strike and CZR.

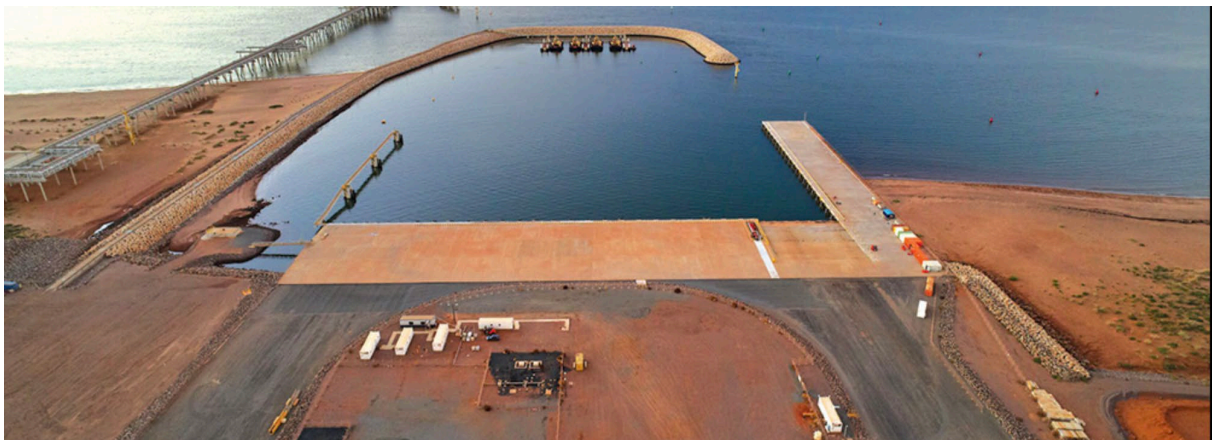


Figure 2: Quay at Port of Ashburton, Onslow

Strike's participation and ownership interest is 25% (CZR – 50% and CSL – 25%). Strike will have a one-third share of the (proposed (minimum) 5 Mtpa) export capacity from the Port of Ashburton Export Facility.

<sup>5</sup> 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

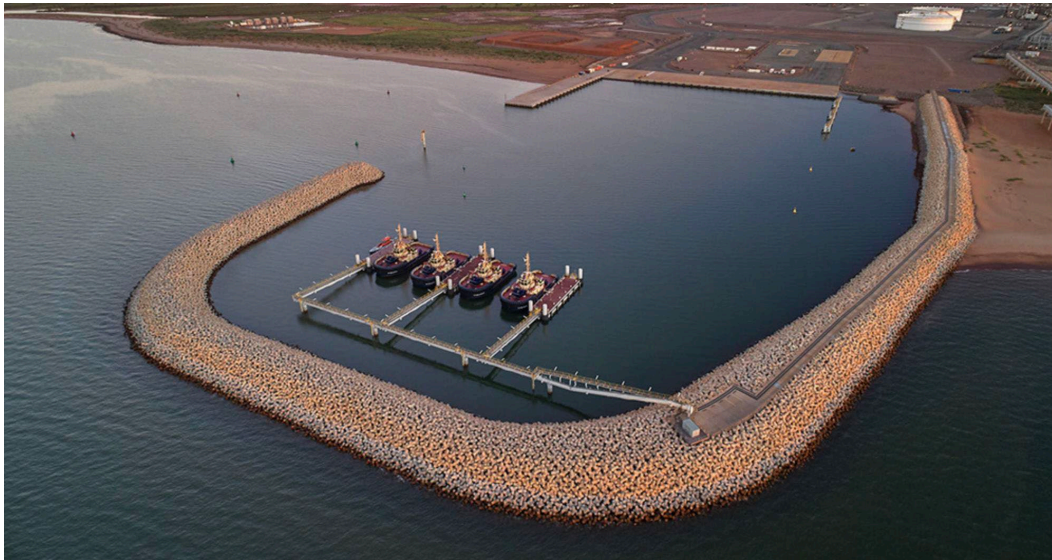


Figure 3: Port of Ashburton, Onslow

Significant focus and progress has been made on the advancement of the Port of Ashburton Export Facility. During the quarter, the PAC decided on final names and branding for the new Ashburton Link Pty Ltd (**ALPL**) to replace the initially incorporated Ashburton Export Facility Pty Ltd (**AEFPL**) as the operating company with shareholdings reflecting each member's interest in the PAC.

During the previous quarter, and after collaborative discussions between the Pilbara Ports Authority (**PPA**) and the PAC, the PPA agreed for the ALPL to submit a Development Application for the Port of Ashburton Export Facility (**DA**). This consent represents a significant development for the PAC.

The DA was submitted during the quarter and is currently under the internal review process with the PPA.

As previously disclosed, the concept design for the facility utilises the existing 'common user' East Port Precinct (**EPP**) within the Port of Ashburton and proposes a multi-user facility with landside infrastructure for haulage and truck unloading, material storage and ship loading with a design capacity of 5Mtpa. The marine side of the proposal includes a 12kt transshipment vessel (**TSV**) with the ability to self-load into cape-size Ocean Going Vessels (**OGV**), providing economies of scale on freight costs.

As shown in Figure 4, the facility infrastructure has been positioned on the East Quay and occupies a limited footprint to ensure that the other port functions are not inhibited. The facility will consist of three main operational areas:

- Haulage and truck unloading,
- Material storage and ship loading, and
- Offshore marine operations including transshipment and OGV loading.



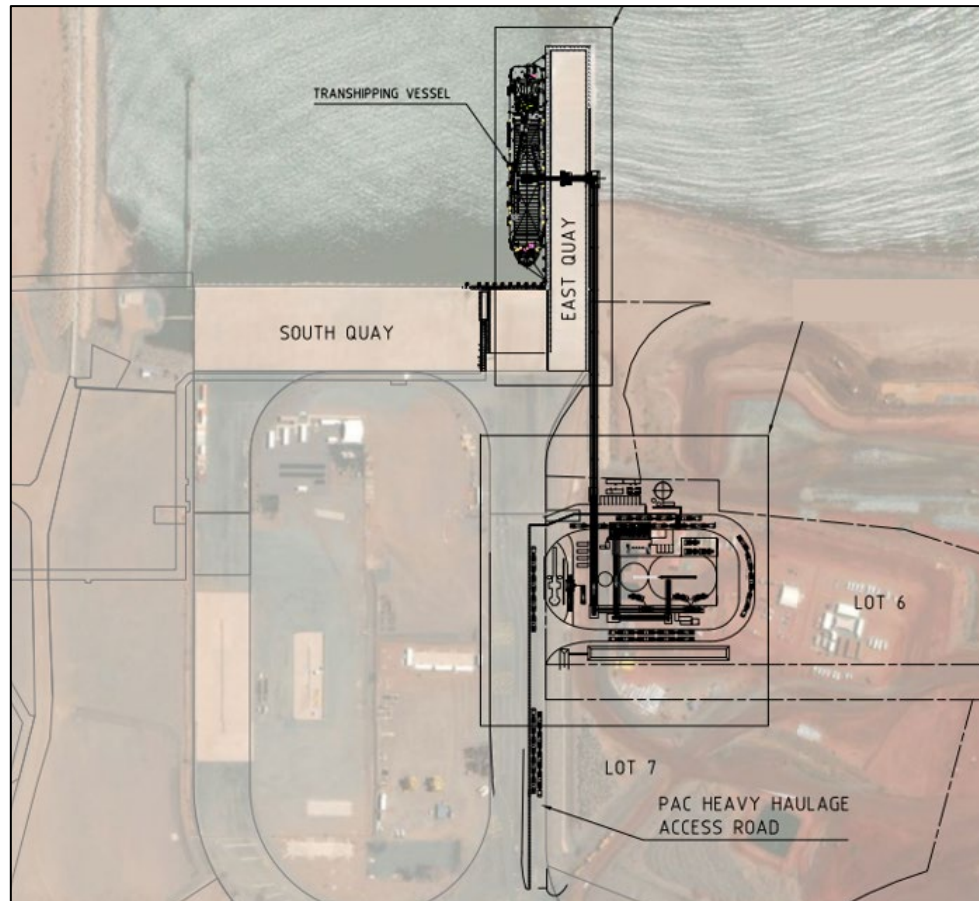


Figure 4: Concept Layout for Port of Ashburton Export Facility at Eastern Port Precinct

The facility will initially focus on exporting direct-shipping iron ore (fines and lump) from Strike and CZR as PAC ‘foundation exporters,’ with potential for smaller in-fill third-party offtakes to cover gaps in production or third-party export opportunities. The facility will also be developed to be potentially compatible with a range of bulk mineral products (subject to appropriate approvals beyond iron ore exports) to ensure that access covers a broad range of other operations and benefits multiple miners.

The following key activities were completed during the quarter for the PAC:

- Incorporation of Ashburton Link Pty Ltd and associated corporate compliances required for management of the PAC entity.
- Finalisation of Ashburton Link marketing brochures and “go live” of web site.
- Presentation to the Shire of Ashburton and local business leaders, including site inspections and the first community presentation evening in Onslow for Ashburton Link.
- Development of noise models for road train haulage along Warriarda Road by external environmental consultants.
- Engagement of tenderers for engineering and design component of port landside infrastructure construction project.
- Engagement of project environmental consultants for required scopes of work through to project execution

In addition, Strike and CZR continue to collaborate on the development of the Onslow Hub facilities, which include the development and operation of an off-site stockpile and logistics hub to support the Port Operations. This hub is currently envisaged to contain finished product stockpiles, workshops and truck parking facilities, and accommodation facilities for haulage and infrastructure teams.

### Development Options for Paulsens East

The WA Department of Water and Environmental Regulation (**DWER**) has (January 2023) granted Strike 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.<sup>6</sup>

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.<sup>7</sup>

The securing of these key regulatory Works Approvals in respect of the Port of Ashburton completes 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.

The current Works Approvals received allow Strike to commence its Stage 2 Development plans for Paulsens East as a standalone 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.

As such, Strike retains the option to develop its own 1.8 Mtpa iron ore export operation at the Port of Ashburton.

### JORC Mineral Resource and Ore Reserve

Paulsens East consists of a ~3km long outcropping high-grade hematite ridge (refer Figure

5), containing a **JORC Indicated Mineral Resource of 9.6 Million tonnes at 61.1% Fe**, 6.0% SiO<sub>2</sub>, 3.6% Al<sub>2</sub>O<sub>3</sub>, 0.08% P (at a cut-off grade of 58% Fe).<sup>8</sup> 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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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

6 Refer Strike's ASX Announcement dated 10 January 2023: Marine Environmental Works Approval Received for Port of Ashburton Transshipment Operations

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

8 Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project



As part of the completion of the October 2020 Feasibility Study<sup>9</sup>, part of the JORC Indicated Mineral Resource of **9.6 Million tonnes at 61.1% Fe**, 6.0% SiO<sub>2</sub>, 3.6% Al<sub>2</sub>O<sub>3</sub>, 0.08% P (at a cut-off grade of 58% Fe) was converted to a **JORC Probable Ore Reserve of 6.2 Million tonnes at 59.9% Fe**, 7.43% SiO<sub>2</sub>, 3.77% Al<sub>2</sub>O<sub>3</sub> and 0.086% P (at a cut-off grade of 55% Fe).



Figure 5: Excavation of Detritals Iron Ore on Northern Slope of Paulsens East Hematite Ridge

As part of the completion of the February 2022 Updated Feasibility Study<sup>9</sup>, an additional **JORC Indicated Mineral Resource of 113,000 tonnes at 60.8% Fe, 6.9% SiO<sub>2</sub>, 3.4% Al<sub>2</sub>O<sub>3</sub>, and 0.10% P** (at a cut-off grade of 58% Fe) has been delineated from the high-grade hematite rich detrital material<sup>10</sup> at surface north of the hematite ridge (refer Figure 5).

### Apurimac Iron Ore Project (Peru)

(Strike – 100%)

Strike's Apurimac Iron Ore Project in Peru is recognised as one of the highest grade, large scale magnetite projects in the world with the potential to support the establishment of a significant iron ore operation (refer to Figure 6).

A **JORC (2012) Indicated and Inferred Mineral Resource** has been defined at the main Opaban 1 and Opaban 3 concessions of **269Mt of iron ore at 57.3% Fe** (142 Mt Indicated Resource at 57.8% Fe and 127 Mt Inferred Resource at 56.7% Fe)<sup>11</sup>.

In addition to the current JORC 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.

<sup>9</sup> Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns

<sup>10</sup> Refer also Strike's ASX Announcements dated 14 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East and 15 July 2020: High-Grade Rock Chip Samples Confirm Resource Upside Potential at Paulsens East Iron Ore Project

<sup>11</sup> Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

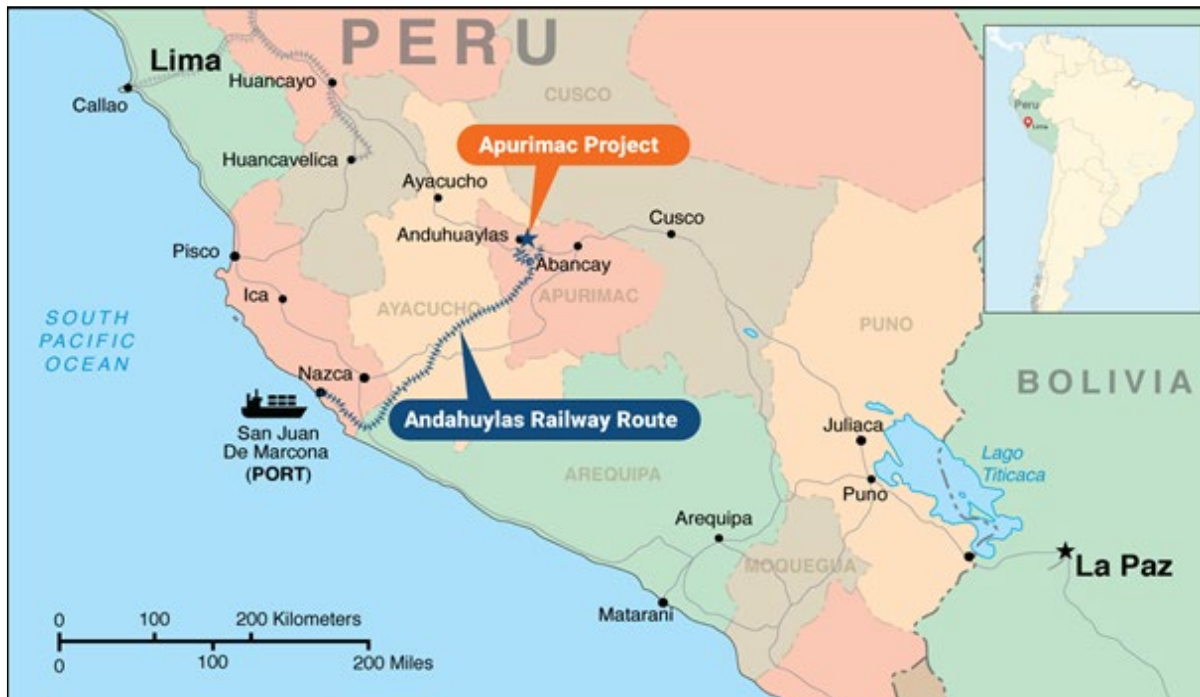


Figure 6: Strike Apurimac Iron Ore Project, showing route of proposed Andahuaylas Railway

### Mining Operations at Apurimac

Strike has completed two shipments (to Chinese and South American Steel Mills) of high-grade (+65% Fe) Apurimac Premium Lump DSO in calendar 2021.<sup>12</sup>

Strike notes that:

- The Offtake Agreement<sup>13</sup> (pursuant to which the first shipment of 35,000 tonnes to China was undertaken) is on a CFR basis (where Strike bears the cost of shipment). As such, any subsequent CFR based shipments to China will be subject to negotiation of an acceptable price with the offtake counterparty and securing a ship charter on terms acceptable to Strike.
- The second shipment (of 15,000 tonnes to a South American steel mill) was made on an FOB basis (where the buyer is responsible for the shipment cost) with a competitive market price calculated by reference to the high-grade nature of the Apurimac Lump DSO ore. This shipment was successfully used by the buyer as an industrial trial for their steel manufacturing facility.

Strike is investigating further shipments from Peru, subject to satisfaction with several matters including negotiation of an acceptable price (referenced to the benchmark iron ore price) and Strike securing sufficient working capital to fund production to this end. In this regard, the disposal of a 20% interest in Apurimac to JEL provides strategic benefits to Strike, including the following:

- GII's offtake rights for 100% of the iron ore mined from Apurimac will be terminated ahead of its expiry on 31 August 2025, providing flexibility in relation to either the sale of Apurimac or the potential resumption of mining operations (and the sale of DSO to local/other parties) at Apurimac and the obtaining of project financing for the same;

<sup>12</sup> Refer Strike's ASX Announcements dated 19 August 2021: Maiden Iron Ore Shipment from Peru and 29 October 2021: Second Iron Ore Shipment from Peru Completed

<sup>13</sup> Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

- as a shareholder in AF, JEL will be called upon to contribute its share of funding towards the ongoing ownership costs of Apurimac and the development of Apurimac including the potential resumption of DSO mining operations; and
- post-completion, Strike will continue to retain an 80% interest in Apurimac and will, as the majority controlling interest, effectively maintain management control of Apurimac and its operations.



## CORPORATE

### Resignation of Non-Executive Director

Malcom Richmond retired as a Non-Executive director of the company during the quarter<sup>14</sup>.

On behalf of the Board and all Strike shareholders, the Company would like to thank Malcolm for his valuable contribution as a Non-Executive Director for the last 17 years, four of which years he also acted as the Company's Chairman (between 2011 and 2015).

### Lapsed Unlisted Options

During the quarter, the following unlisted options lapsed:

Class of Unlisted Options	Exercise Price	Expiry Date	Number of options
Broker's options (\$0.15, 23 November 2023) <sup>15</sup>	\$0.15	30 November 2023	1,000,000
Directors' options (\$0.185, 3 December 2023) <sup>15</sup>	\$0.185	3 December 2023	12,000,000

### Summary of Expenditure Incurred

A summary of expenditure incurred by the Consolidated Entity during the quarter, in relation to cash flows from operating and investing activities reported in the Appendix 5B Cash Flow Report is as follows:

For Current Quarter ending 31 December 2023	Consolidated Entity Cash Outflows		
	Operating \$'000	Investing \$'000	Total \$'000
Exploration and evaluation expenditure	-	-	-
Development	223	-	223
Personnel expenses	284	-	284
Occupancy expenses	-	-	-
Corporate expenses	37	-	37
Administration expenses	158	-	158
<b>Total Expenditure</b>	<b>702</b>	<b>-</b>	<b>702</b>

### Payments to Related Parties

During the quarter, Strike paid a total of \$141k in respect of Directors' remuneration, comprising salaries, fees, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report

<sup>14</sup> Refer Strike's ASX Announcement dated 11 December 2023: Retirement of Director

<sup>15</sup> Refer Strike's ASX Announcement dated 4 December 2023: Notification of Cessation of Securities - SRK

## LIST OF MINERAL CONCESSIONS

The following mineral concessions were held as at the end of the quarter and currently:

### Paulsens East Iron Ore Project (Western Australia) (Strike – 100%)

Tenement Type and No.	Grant Date	Expiry Date	Area (Ha)	Area (km <sup>2</sup> )
Mining Lease M 47/1583	4/9/2020	3/9/2041	381.87	~3.82
Misc. Licence L 47/927	12/11/2020	11/11/2041	78.74	~0.79
Misc. Licence L 47/938	10/12/2020	9/12/2041	95.97	~0.96
Misc. Licence L 08/195	7/1/2021	6/1/2042	22.44	~0.22
Misc. Licence L 08/190	15/7/2021	14/7/2024	199.60	~2
Misc. Licence L 47/934	15/7/2021	14/7/2024	357.09	~3.57
Misc. Licence L 47/980	15/7/2021	14/7/2024	62.60	~0.63
Misc. Licence L 47/981	16/7/2021	15/7/2024	465.04	~46.5
Misc. Licence L 47/983	15/8/2023	14/8/2044	184.98	~1.85

The following tenement applications are pending grant:

Tenement Type and No.	Application Date	Area (Ha)	Area (km <sup>2</sup> )
Misc. Licence L 08/271	12/8/2021	47.55	~0.48
Prospecting Licence P 08/813	29/4/2022	47.00	0.47
Exploration Licence E 47/5055	03/11/2023	949.77	~9.50

### Apurimac Iron Ore Project (Peru) (Strike – 100%)

Concession Name	Area (Ha)	Province	Code	Title	File No
Opaban I	999	Andahuaylas	5006349X01	No 8625-94/RPM Dec 16, 1994	20001465
Opaban III	990	Andahuaylas	5006351X01	No 8623-94/RPM Dec 16, 1994	20001464
Cristoforo 22	379	Andahuaylas	010165602	RP2849-2007-INGEMMET/PCD/PM Dec 13, 2007	11067786
Ferrum 31	327	Andahuaylas	010552807	RP 1266-2008-INGEMMET/PCD/PM May 12, 2008	11076509
Wanka 01	100	Andahuaylas	010208110	RP 3445-2010-INGEMMET/PCD/PM Oct 18,2010	11102187

## JORC MINERAL RESOURCES

### Paulsens East Iron Ore Project (Australia)

(Strike – 100%)

The Paulsens East Iron Ore Project has a JORC Code (2012 Edition) compliant Indicated Mineral Resource:

Mineral Resources Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%	LOI%
Indicated	>58	9.6	61.1	6.0	3.6	0.08	0.01	2.1

Refer Strike's ASX Announcement dated 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project.

Part of the JORC Indicated Mineral Resource has been converted to a maiden JORC Probable Ore Reserve:

Ore Reserves Category	Fe% Cut-Off Grade	Million Tonnes	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%
Probable	>55	6.2	59.9	7.43	3.77	0.086

Refer Strike's ASX Announcement dated 30 October 2020: Paulsens East Feasibility Study Demonstrates Significant Cashflow Generation and Financial Returns.

### Apurimac Iron Ore Project (Peru)

(Strike – 100%)

The Apurimac Project 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 <sup>3</sup>	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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
<b>Total Indicated and Inferred</b>			<b>269.4</b>	<b>57.3</b>	<b>9.4</b>	<b>2.56</b>	<b>0.04</b>	<b>0.16</b>

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% SiO<sub>2</sub>, 0.72% Al<sub>2</sub>O<sub>3</sub>, 0.057% P and 0.09% S.



## JORC CODE COMPETENT PERSON'S STATEMENTS

### JORC Code (2012) Competent Person Statement - Paulsens East Iron Ore Project

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 Warriess (MSc – Mine Engineering, FAusIMM), who is a Fellow of AusIMM. Mr Warriess is the Principal of Mining Focus Consultants Pty Ltd, a Consultant to Strike Resources Limited. Mr Warriess 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.

## JORC Code (2012) Competent Person Statement - Apurimac Project Mineral Resources

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 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 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.

The Strike ASX market announcements referred to above may be viewed and downloaded from the Company's website: [www.strikeresources.com.au](http://www.strikeresources.com.au) or the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code "SRK".

## 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.

## Appendix 5B

# Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity

**STRIKE RESOURCES LIMITED (ASX:SRK) and its controlled entities**

ABN

**94 088 488 724**

Quarter Ended (current quarter)

**31 December 2023**

<b>Consolidated statement of cash flows</b>	<b>Current Quarter Dec-2023 \$A' 000</b>	<b>Year to Date 6 months \$A' 000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(223)	(405)
(c) production	-	-
(d) staff costs	(284)	(582)
(e) administration and corporate costs	(195)	(460)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	10
1.5 Interest and other costs of finance paid	(268)	(1,736)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other:		
<i>Recovery of office costs under shared office arrangements</i>	-	4
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(969)</b>	<b>(3,169)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>	<b>Current Quarter Dec-2023 \$A' 000</b>	<b>Year to Date 6 months \$A' 000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	76
(d) investments	241	241
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other:		
<i>Deposit received under Agreement – refer ASX Announcement dated     3 Jan 2024: Proposed Divestment of Paulsens East Iron Ore Project</i>	2,000	2,000
<b>2.6 Net cash from / (used in) investing activities</b>	<b>2,241</b>	<b>2,317</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other:		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	519	2,650
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(969)	(3,169)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	2,241	2,317
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(1)	(8)
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,790</b>	<b>1,790</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A' 000	Previous Quarter \$A' 000
5.1 Bank balances	1,755	484
5.2 Call deposits	35	35
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,790</b>	<b>519</b>

6. Payments to related parties of the entity and their associates	Current Quarter \$A' 000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	(141)
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments*

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A' 000	Amount drawn at quarter end \$A' 000
7.1 Loan facilities	10,770	10,770
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>10,770</b>	<b>10,770</b>

<b>7.5 Unused financing facilities available at quarter end</b>	-
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Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has drawn down a US\$7.2 million (~A\$10.77 Million, based on an exchange rate of A\$1:00:US\$0.67) project finance loan facility (**Facility**) provided by Good Importing International Pty Limited (**GII**) for the Stage 1 development of the Paulsens East Iron Ore Project and the Company's maiden (66,618 tonne) export of Paulsens East Lump direct shipping iron ore (DSO) from Utah Point (Port Hedland) in September 2022. The Facility is secured over the Project assets (including the tenements) and shares in the subsidiary companies that hold the Project. The applicable interest rate is 10% pa (with payment of interest commencing on 30 June 2023 and at the end of each quarter thereafter) with 50% of the principal repayable on 31 July 2024 and the balance due on 31 October 2024. The key terms of the Facility with GII are summarised in the Company's ASX Announcements dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project, 16 December 2022: Update on Paulsens East Project Financing and 4 April 2023: Further Update on Paulsen East Project Financing.

8. Estimated cash available for future operating activities	\$A' 000
8.1 Net cash from / (used in) operating activities (item 1.9)	(969)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(969)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,790
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,790
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1.8</b>

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7*

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

The Consolidated Entity notes the following matters:

- (a) Strike will manage its expenditure in future quarters having regard to its current and expected cash position.
- (b) Strike expects a reduction in future development expenditure as a result of the pending sale of the Paulsens East Iron Ore Project.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company will receive cash consideration on completion of the Agreement - refer ASX Announcement dated 3 January 2024: Proposed Divestment of Paulsens East Iron Ore Project. Strike can also realise cash funds from the sale of investments in ASX-listed securities (refer to Note 1 below).

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Strike will manage its expenditure in future quarters having regard to its current and expected cash position.



## Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Authorised By:



31 January 2024

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**William Johnson**  
**Managing Director**

See Chapter 19 of ASX Listing Rules for defined terms

### Notes

1. The **Company** currently holds the following listed share investments:

		31-Dec-23		
<b>ASX co Company</b>		No Shares	Last Bid Price	Market Value
LEL	Lithium Energy Limited	31,010,000	\$0.560	\$17,365,600

2. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
3. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
4. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
5. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"
6. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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### AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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Managing Director  
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