



Wednesday, 16 May 2018

ASX Code : SRK

## ASX MARKET ANNOUNCEMENT

### Peru Iron Ore Presentation at Latin America Down Under Conference

Strike Resources Limited (ASX:[SRK](#)) (**Strike**) is pleased to attach a copy of its "Peru Iron On Track" presentation made by the Managing Director at the Latin America Down Under (LADU) 2018 Conference held in Perth, Western Australia.

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#### FOR FURTHER INFORMATION

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#### ABOUT STRIKE RESOURCES LIMITED (ASX:[SRK](#))

[Strike Resources](#) is an ASX listed resource company and owns the high grade [Apurimac Magnetite Iron Ore Project](#) and [Cusco Magnetite Iron Ore Project](#) in Peru and is currently developing its [Burke Graphite Project](#) in Queensland and [lithium](#) exploration tenements in Western Australia.



ASX : SRK

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# Peru Iron On Track

May 2018

# Peru Government sponsored multi-user railway is the catalyst to advance Strike's 20Mtpa iron ore project




## Apurimac Project (SRK: 100%)

- Peru Government plans a multi-user railway connecting Strike's Apurimac Project to Port.
- Apurimac is one of the world's highest grade large scale magnetite deposits.
- 20Mtpa production potential.
- Held since 2005, > \$50 Million invested by Strike to date (PFS stage).

**Railway is the catalyst to advance development of the Apurimac Project**






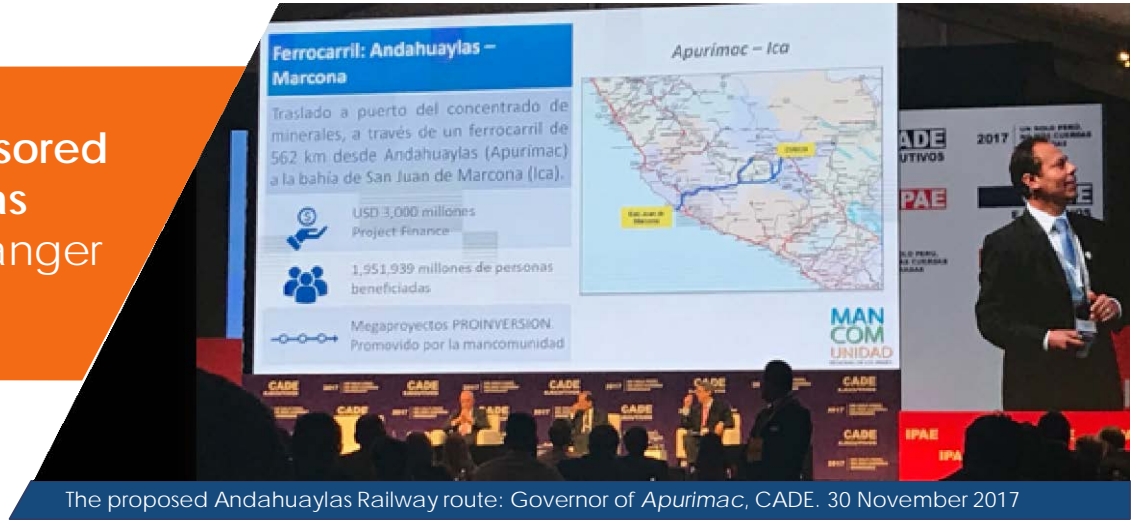
## THE CATALYST TO RAMP-UP PROJECT ACTIVITY

“Peru Government plans a multi-user railway connecting  
Strike's project mine to port”

Peru Iron  
On Track



The Government sponsored multi-user Andahuaylas Railway is a game changer for Strike in Peru.



**Ferrocarri: Andahuaylas – Marcona**

Traslado a puerto del concentrado de minerales, a través de un ferrocarril de 562 km desde Andahuaylas (Apurimac) a la bahía de San Juan de Marcona (Ica).

USD 3,000 millones  
Project Finance

1,951,939 millones de personas beneficiadas

Megaproyectos PROINVERSION  
Promovido por la mancomunidad

Apurimac – Ica

MAN COM UNIDAD

CADE 2017

IPAE

The proposed Andahuaylas Railway route: Governor of Apurimac, CADE. 30 November 2017

- The Government of Peru is planning a multi-user railway from Andahuaylas – located 20km from **Strike's Apurimac Iron Ore Project** - to an expanded multi-user mineral export port on the west coast of Peru (~ 570km track length).
- **Strike** will be by far the biggest potential user of this railway, transporting ~20 Million tonnes of iron ore per annum.
- Whilst other mining projects and commercial users in the region will utilise the railway, **Strike's iron ore will drive the commercial viability of the Andahuaylas Railway.**

**Strike completed a Prefeasability Study in 2008<sup>1</sup> (updated in 2010<sup>2</sup>) on the **Apurimac Project**, which confirmed clear potential for development of a world class iron ore project**

**Planned Production Capacity of 20 million tonnes per year of iron-ore lump and fines**

- Base case of 20Mtpa of material produced by open pit mining
- Transport of high grade lump and fines product to the coast via Railway to Port of San Juan de Marcona, where a new specialised multi-user mineral ore terminal is to be built



**Attractive life-of-mine operating expenses (2010) of US\$15 -17 per tonne<sup>2</sup> of product delivered to port (for owner-operated railway)**

- Open cut mine, low strip ratio (1.2 to 1.8) delivers low mining costs
- Ore is high grade, coarse-grained magnetite which liberates easily – crushing and screening only
- Potential to be one of the world's lowest operating cost iron ore mines

<sup>1</sup> Snowden & SKM

| <sup>2</sup> Ausenco Sandwell / SRK Consulting



## MOU with DHHI (China) provides affirmation of international interest in Strike's Project

- Dalian Huarui Heavy Industry Group (DHHI) is a major supplier to mining industry (e.g. bulk handling machinery for Roy Hill, Australia).
- MOU signed with Strike in February 2018 to work on jointly developing iron ore project, railway and port infrastructure.
- Provides potential access to Chinese resources (particularly railway construction) and project financing.



# What is the **Value Potential** for Strike now?

	2008	2018
Peru Iron Ore Asset Valuation	US\$650M <sup>1</sup>	?
Strike share of Peru Iron Ore Assets	69%: (US\$450M)	100%
SRK Market Capitalisation (May)	A\$260M	A\$9M
Iron Ore Price (62% fines CFR China)	US\$62/t	~US\$70/t
Potential for 3 <sup>rd</sup> party built and operated rail and port	No	Yes
Connection with large Chinese infrastructure group	No	Yes



<sup>1</sup> Refer SRK Announcement dated 1 April 2008: Update on Potential Sale of Peruvian Iron Ore Assets





## THE CATALYST TO RAMP-UP PROJECT ACTIVITY

“ Peru Government plans a multi-user railway connecting  
Strike's Project mine to port ”

# The Apurimac & Cusco Iron Ore Projects

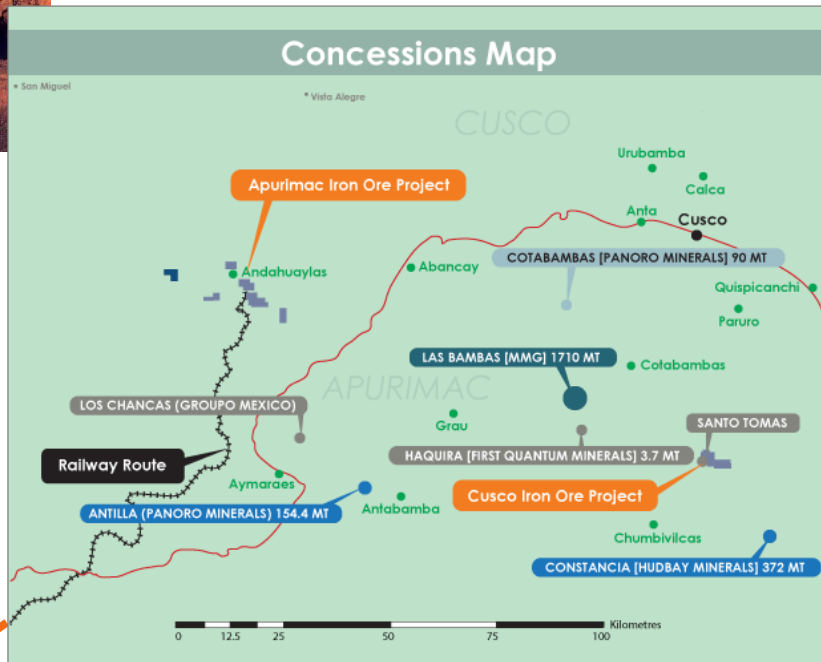
...the Andahuaylas Railway is the trigger for Strike to restart development.

## Strike is already well established in Peru

- Strike has been operating in Peru for thirteen years, since 2005.
- During this time, Strike has invested over **\$50 million** in developing its iron ore assets in Peru.
- Initially operating in a joint venture with two local companies, Strike secured 100% equity interest in the projects in 2013 through its 100% holding in Peruvian company **Apurimac Ferrum S.A. (AF)**.
- Strike's activity in Peru has reduced in recent years, with the softening of iron ore prices; however...

...the Andahuaylas Railway is the trigger for Strike to restart development

Strike's Projects are in the **highly prospective Apurimac and Cusco Regions** in southern Peru, with other world class mineral projects nearby which will also benefit from the proposed railway



#### Concessions

- Apurimac Ferrum S.A
- Strike Resources Peru S.A.C

#### Cu Resource (MT)

- N/A
- 1-100
- 1-500
- >500

- Major City
- Major Town

To San Juan de  
Marcona Port



# The Andahuaylas Railway will allow Strike's projects to form the hub of a new potential 40Mtpa iron ore industry in Peru



Strike's Iron Ore Projects and Transport Routes

## Peru Iron

Apurimac Iron	20 Mtpa
Cusco Iron	20 Mtpa
= Total Iron	40 Mtpa





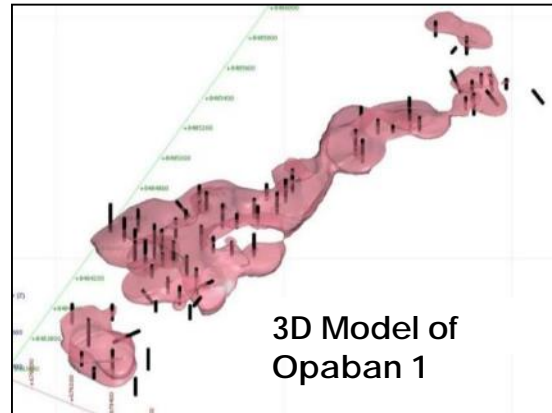
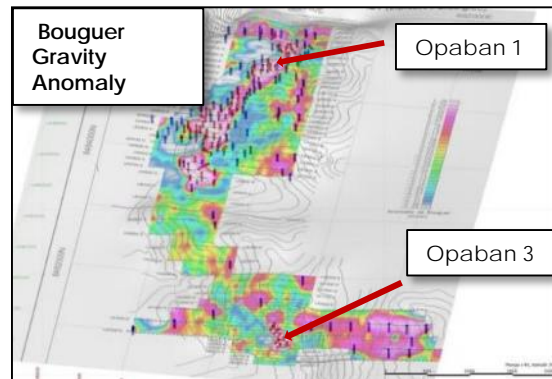
# Strike's Apurimac Iron Ore Deposit has sufficient defined resources and exploration upside for at least 10 - 20 years of **Iron Production** (@ 10 – 20 Mtpa)

Current JORC Resources of 269Mt at 57.3% Fe

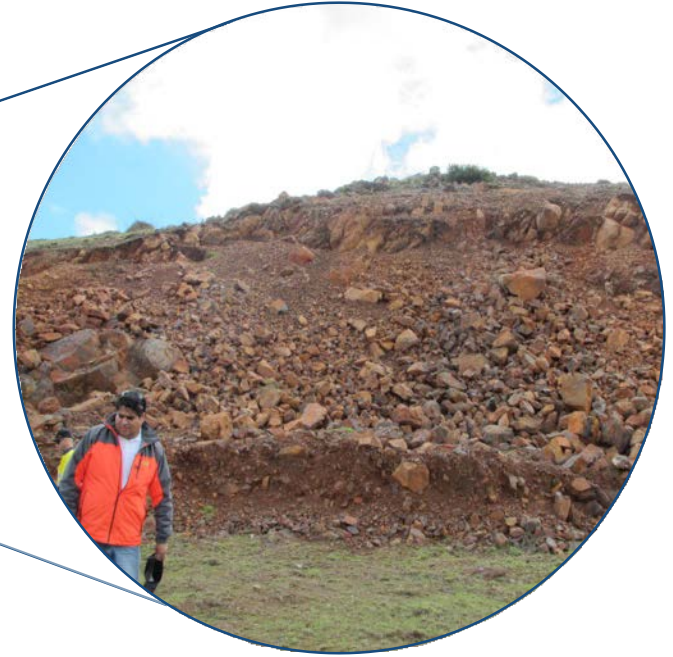
- Continuous **broad zones**
- Dominantly **high-grade, coarse-grained magnetite**
- **Low strip and high conversion ratios** indicated
- Simple crushing and screening for railway transport upgrades ore to +60%

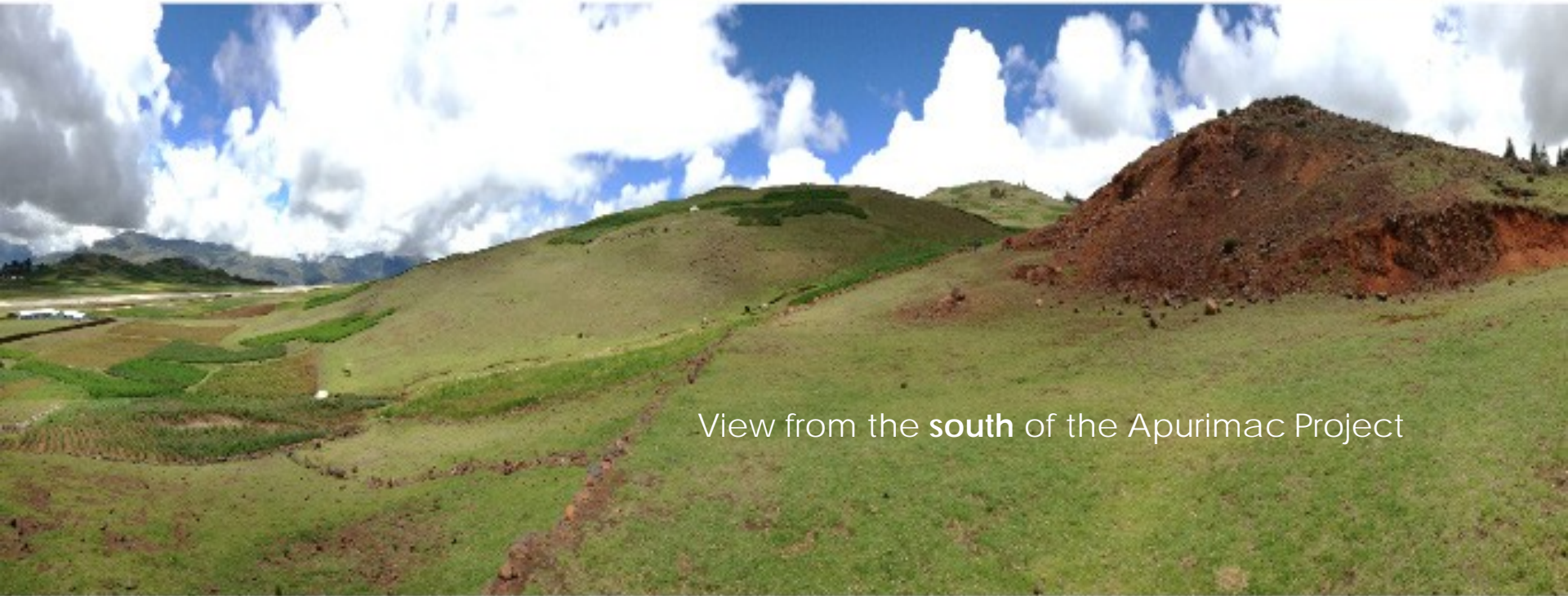
## Exploration Potential:

- **Undrilled** gravity and magnetic anomalies
- Both deposits **open** at depth
- Drill results include **154m @ 62% Fe** open at depth



The **Apurimac Deposit** is easily accessible  
and has a low strip ratio





View from the **south** of the Apurimac Project





View from the **north** of the Apurimac Project



# The Apurimac Project has a **favourable location** in an area with a **benign climate** and is **well served by existing infrastructure**

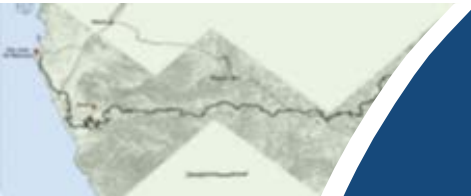


## Location

- Iron deposit is directly adjacent to regional airport of Andahuaylas
- 3,500m altitude, similar elevation to other mines in Peru
- Climate is benign and enables operations throughout the year


## Infrastructure

- Existing regional infrastructure with surplus power on national grid available
- Large bodies of water nearby to support mining
- 15km from city of Andahuaylas, pop.~ 50,000



## Railway route mapped to port

- Mostly flat to gentle downhill gradient
- Railway offers maximum flexibility and social benefits
- Proposed expansion of multi-user port of San Juan de Marcona to connect to railway



## Strike has previously demonstrated potential to commence near-term production to generate early cashflows

Strike has already created a stockpile of high grade DSO material and sold to local steel mill

- 10,000 tonnes has been mined by local 'community miners'
- 65% Fe, 0.04% P, 0.013% S
- 5,000 tonnes already delivered by to truck to coast, crushed and sold to steel mill
- Consistent with government policy to formalise informal community miners
- Strengthens relationship with local community
- Using community miners speeds up permitting for small scale mining



Iron ore stockpiles



# Strike's Cusco Project offers expansion potential for an additional 20 Mtpa (40Mtpa total between Apurimac and Cusco)

Current JORC Resource of **104Mt at 32.6% Fe** with exploration upside

- Mineralisation remains open along strike and at depth
- Predominantly coarse-grained magnetite ore, similar to Apurimac – upgradable at relatively coarse grind sizes
- Centred on a large 2 kilometre diameter circular magnetic anomaly with magnetic highs extending both north and south
- Extensive outcrops of high-grade iron ore coincide with the magnetic anomalies
- Mapping and surface sampling indicates these outcropping zones commonly contain >60% Fe





## Community Relations are important in Peru:

Strike has funded many  
community education and  
development programmes  
with local communities





## THE CATALYST TO RAMP-UP PROJECT ACTIVITY

“ Peru Government plans a multi-user railway connecting  
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Next Steps  
for Strike





## Strike will advance its Apurimac mine and plant in parallel with proposed Andahuaylas Railway development

Railway will likely take ~5 – 7 years to complete, during which time Strike plans to:

- Re-commence exploration to expand and **upgrade JORC Mineral Resources** (2018 – 2020)
- Work with Peru Government-selected consultants to complete comprehensive **Railway Study** (covering technical, financial, social and environmental aspects of the Andahuaylas Railway) (2018 - 2019)
- Identify **Strategic Partners** to fund exploration, resource upgrade and full feasibility studies (2018 – 2022)






# Strike is now 'on track' for a significant value re-rating

## SUMMARY

- Government sponsored Andahuaylas Railway will facilitate development of Strike's **20 Mtpa Apurimac High Grade Iron Ore Deposit**
- Relationship with **Chinese DHHI** first step in building strategic partnerships with key mining and infrastructure groups
- Previous project valuation of **US\$650M in 2008<sup>1</sup>** indicates significant re-rating potential for Strike - currently **only A\$10M market capitalisation**



## THE CATALYST TO RAMP-UP PROJECT ACTIVITY

“Peru Government plans a multi-user railway connecting  
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# Appendices

# SRK Capital Structure and 12 months trading history



Issued Capital	145 million
52 week trading range	3.8 – 8.5 cents
Market Capitalisation (@ 6 cents)	\$9 Million
Cash + Liquid Investments Balance	\$5 Million

Top Shareholders	Shares (Million)	% Issued Capital
Bentley Capital Limited (ASX:BEL)	52.5	36.2%
Metalloinvest Group	26	17.8%
Database Systems Ltd	12.5	8.6%
Orion Equities Limited (ASX:OEQ)	10	6.9%
Top 20 shareholders	101	69.5%





# Strike Resources Limited (ASX:SRK)

## Board of Directors

### Chairman - Farooq Khan

*LLB, BJuris (UWA)*

Mr Khan is a qualified lawyer and has extensive experience in the securities industry, capital markets and the executive management of ASX listed companies. Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.

### Managing Director - William Johnson

*MA (Oxon), MBA, MAICD*

Mr Johnson holds a Masters degree in Engineering Science from Oxford University, England and a Masters Degree in Business Administration from Victoria University in Wellington, New Zealand. Mr Johnson began his career in resource exploration and has since held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Mr Johnson brings a considerable depth of experience in business strategy, investment analysis, finance and execution.

### Director - Matthew Hammond

*BA Hons*

Mr Hammond is Group Managing Director and CFO of LSE-listed Mail.ru, a leading European Internet communication and entertainment services group. Prior to that he was Group Strategist for Metalloinvest Holdings, where he had responsibilities for part of the non-core asset portfolio and advised the Board on strategic acquisitions and investments. He began his career at Credit Suisse and was Sector Head in Equity Research and in Private Bank Ultra High Net Worth Client Advisory.

### Director - Malcolm Richmond

*BSc Hons (Metallurgy) and B. Comm. Merit (Econs) (UNSW)*

Mr Richmond has 30+ years' experience in the resources industry with the Rio Tinto and CRA Groups where he held a number of positions including: Vice President, Strategy and Acquisitions; Managing Director, Research and Technology; Managing Director, Development (Hammersley Iron Pty Ltd) and Director of Hismelt Corporation Pty Ltd. He was formerly Deputy Chairman of the Australian Mineral Industries Research Association and Vice President of the WA Chamber of Minerals and Energy.

### Director / Company Secretary - Victor Ho

*BCom, LLB (UWA), CTA*

Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and management initiatives and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholders relations.



# Drilling and Studies undertaken to date

## Schedule of Drilling

Year	Location	Region	Metres Drilled
2005	Opaban 1	Apurimac	1,564
2005	Opaban 3	Apurimac	1,102
2006	Opaban 1	Apurimac	2,168
2007	Opaban 1	Apurimac	3,587
2011	Colcabamba	Apurimac	2,336
2008	Ferrum 9	Apurimac	810
2008	Coriminas	Apurimac	1,811
2007	Los Andes	Apurimac	570
2007, 2008	Santo Thomas	Cusco	16,933

## Schedule of Significant Studies Undertaken

Year	Study	Conducted By
2008	Pre-Feasibility Study	SRK Mining Industry Consultants
	Opaban I and I Resource Estimates	Snowden
	Mineralogical and Petrological Characterisation of Strike Resources Apurimac Opaban 1 Ore Samples	CSIRO
	Port Studies	COSAPI
2010	Process Plant and Port Filtration Facility Study	Ausenco
2010	Conceptual Mine Study	SRK Consulting
2010	Concentrate Pipeline Study	Ausenco PSI
2010	Opaban I Resource Estimate	SRK Consulting
2010	Railway Study	Ausenco/Sandwell
2010	Rope Conveyor Study	Ausenco



## JORC Mineral Resources (Peru)

### Apurimac: Combined Mineral Resources for Opaban 1 and Opaban 3 Concessions

Category	Project	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>Totals</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>

### Cusco

Category	Project	Density t/m <sup>3</sup>	Mt	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	S%
Inferred	Santo Tomas	4	104.4	32.62	0.53	3.19	0.035	0.53
<b>Totals</b>			<b>104.4</b>	<b>32.62</b>	<b>0.53</b>	<b>3.19</b>	<b>0.035</b>	<b>0.53</b>

Apurimac: JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 11 February 2010: Peruvian Apurimac Iron Ore Project Resource Increased to 269 Million Tonnes) and has subsequently been upgraded to comply with the 2012 JORC Code and disclosed in Strike's ASX Announcement dated 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

Cusco: JORC Resource table was prepared and first disclosed under the 2004 JORC Code (in Strike's ASX announcement dated 17 June 2011: Cusco Project – Resource Estimate). It has not been updated since to comply with the 2012 JORC Code on the basis that the information has not materially changed since it was last reported.





## JORC CODE COMPETENT PERSON'S STATEMENTS

### 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 the Strike Resources Limited on:

- 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

The information in the original announcement that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Apurimac Iron Ore Project (Peru) 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 Mineral Resources and Ore Reserves" (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.

### JORC Code (2004) Competent Person Statement – Cusco Project Mineral Resources

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Cusco Iron Ore Project (Peru) 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 2004 Edition of the JORC Code. Mr Hellsten approves and consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.



## 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.



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