

MARKET ANNOUNCEMENT

Update on Paulsens East Project Financing

Strike Resources Limited (ASX:SRK) (**Strike**) provides the following update in relation to the US\$7.2 million (~A\$10 Million) loan facility (**Facility**) with Good Importing International Pty Limited (**GII**) used for the Stage 1 development of the Paulsens East Iron Ore Project (**Paulsens East**) located in the Pilbara, Western Australia.¹

The Facility was used to fund Strike's maiden (66,618 tonne) export of Paulsens East Lump direct shipping iron ore (**DSO**) from Utah Point (Port Hedland) in September 2022.²

Under the original terms of the Facility, Strike were to commence quarterly payment of the interest (at 10% pa) on or before 31 December 2022 with 50% of the loan principal repayable in October 2023 (18 months after the draw-down of tranche 1 under the Facility) and the balance in April 2024 (24 months after the draw-down of tranche 1).¹

As previously announced³, Strike has determined to pause on further shipments from Utah Point given current market conditions – in particular, taking into account the low benchmark iron ore price relative to prices earlier in the year, together with rising input costs adversely impacting operating margins – and is advancing the development of an export solution through the Port of Ashburton (located ~235km from Paulsens East, versus ~650km to Port Hedland), which has the potential to significantly improve the economics at Paulsens East and thus will play an important part in any decision to restart operations at Paulsens East.

Strike has negotiated revised Facility repayment terms with GII as follows:

- the commencement of payment of interest has been deferred to 30 June 2023;
- 50% of the loan principal is repayable on 31 July 2023; and
- the balance of the Facility is repayable on 31 October 2023.

GII's exclusive marketing rights for the first 6.35Mt of DSO from Paulsens East remains in place.

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

2 Refer Strike's ASX Announcements dated 30 August 2022: First Export Shipment of Paulsens East Lump Iron Ore and Future Operations, 25 August 2022: Maiden Shipment of Paulsens East Lump Iron Ore and Operational Update and 1 August 2022: Maiden 68,000 Tonne Shipment of Paulsens East Lump Iron Ore

3 Refer Strike's ASX Announcement dated 30 August 2022: First Export Shipment of Paulsens East Lump Iron Ore and Future Operations and 25 August 2022: Maiden Shipment of Paulsens East Lump Iron Ore and Operational Update

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 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 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.