

# ASX MARKET ANNOUNCEMENT

## Strike Enters into Cooperation Agreement with Peru Railway Consortium

Strike Resources Limited (**Strike**) is pleased to report that it has entered into a Cooperation and Confidentiality Agreement (**Cooperation Agreement**) with Consorcio Ferrocarril Del Sur (**Southern Railway Consortium**) regarding the development of the Andahuaylas to San Juan de Marcona Railway (**Andahuaylas Railway**) in Peru.

The Southern Railway Consortium comprises an international group of engineering companies including Dohwa Engineering Co. Ltd. (Korea), Geodata Engineering S.P.A. (Italy) and Genera Consulting S.A.C.

The Andahuaylas Railway has been proposed by the Peru Government primarily to link major mining projects in the Apurimac Region to the proposed multi-user Port of San Juan de Marcona on the west coast of Peru.



Figure 1: Route of proposed Andahuaylas Railway connecting Strike's Apurimac Project to Port of San Juan de Marcona

Strike's Apurimac Iron Ore Project (the **Project**) is located **only 20km from the city of Andahuaylas**, where the railway is expected to terminate. The proposed railway (approximately 570km in length) would provide a direct link from Strike's Project to an established mineral export port, significantly improving the development prospects for the Apurimac deposit.



In October 2018, the Peru Ministry of Transport and Communications in Peru (**MOTC**) engaged the Southern Railway Consortium to study the feasibility of constructing the Andahuaylas Railway.

Strike has been identified as one of the largest potential users of the Andahuaylas Railway.

Between 2008 and 2010, Strike undertook a series of Preliminary Feasibility and Engineering Studies on its Apurimac Iron Ore Project. Included in these studies was a comprehensive study into the technical and commercial aspects of building its own railway from Andahuaylas to San Juan de Marcona. A detailed route alignment was mapped by Strike, together with capital and operating cost estimates (in the order of +/- 20%) relating to:

- track infrastructure;
- equipment, including locomotives, ore wagons, maintenance of way machines, vehicles etc;
- maintenance and operating facilities, including repair shops, tools and equipment, railway offices, communications and train control equipment, bunkhouses and on line buildings; and
- railway system manpower.

Given the scale of economic and social benefits which the Andahuaylas Railway will bring to the Apurimac Region (and Peru as a country), Strike has agreed to share its 2010 Railway Study with the Southern Railway Consortium and otherwise cooperate with the consortium in whatever way it can to expedite the completion of its feasibility study.

Strike is therefore pleased to report the execution of the Cooperation Agreement, in which Strike has committed to share its railway study with the Southern Railway Consortium and provide input and advice in the development of this Peruvian Government study.

Strike is looking forward to working with the Southern Railway Consortium on this exciting project.

Further background information about Strike's Apurimac and Cusco Iron Ore Projects in Peru and the proposed Andahuaylas Railway are contained in the following Strike ASX announcements:

- 23 October 2018: Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port;
- 19 February 2018: Peru Iron Ore Update – MOU with Chinese Dalian Huarui Heavy Industry Group;
- 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port;
- 19 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard;
- 23 November 2010: Apurimac Project Update and Strike's December 2010 Quarterly Report; and
- 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru.

## **ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)**

Strike Resources is an ASX listed resource company which owns the high-grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru. Strike is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina; the Burke Graphite Project in Queensland; and a lithium exploration tenement in Western Australia.

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## **FOR FURTHER INFORMATION**

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