

ASX MARKET ANNOUNCEMENT

Outstanding Metallurgical Testwork Results at Paulsens East Iron Ore Deposit Indicate 79% Lump Yield with Low Impurities

Highlights

- Metallurgical Testwork indicates 79% lump yield at 66% Fe, 3.09% SiO₂, 1.31% Al₂O₃
- Exceptionally high ratio of lump to fines which is likely to attract a significant price premium
- Lump grade generally 2% higher than fines grade (64% Fe) will also attract a further price premium
- Lump and fines material very low in phosphorous and sulphur
- Low ore degradation likely from transport and handling
- Higher measured Specific Gravity indicates potential for increased tonnage and lower strip ratios

Summary

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to report that metallurgical test work undertaken by ALS Metallurgy Iron Ore Technical Centre (**ALS IOTC**) in Perth based on a bulk composite sample of approximately 250 kilogrammes recently collected from various surface locations across the entire length and width of the Paulsens East deposit has returned highly encouraging results, indicating the potential for approximately 79% yield as 'lump', low deleterious elements, low degradation during transport and other positive metallurgical properties.

The indicated lump yield is regarded as very positive for the project as lump material typically attract a price premium over equivalent fines material of the same grade.

Strike Managing Director, William Johnson:

"In all respects, the testwork results are highly encouraging as they confirm the high quality of the resource at Paulsens East, with the potential for approximately up to 80% of material being classified as lump and therefore likely to attract premium pricing compared to fines. With the testwork also indicating a higher specific gravity for the material than previously estimated, potential also exists for an increase in tonnage and a decrease in mining strip ratios."



Metallurgical Test Work

Strike requested ALS IOTC to conduct a series of metallurgical tests for physical properties on bulk composite samples collected from various surface locations across the entire length and width of the Paulsens East deposit.



Figure 1: Paulsens East Rock Chip Sample

The composite sample had a **head grade of 65.6% Fe**, 3.41% SiO₂ and 1.44% Al₂O₃.

The composite head grade of the testwork samples was obtained from material sourced from surface mineralisation across the entire strike length of the deposit. The nature of the deposit, being a sharp ridge defined by an outcropping steeply dipping slope face of 30 to 40 metres in height, means that the test samples are likely to be reasonably typical of the physical properties of the initial mined material.

Figure 2 below shows the sharp ridge like character of the deposit.



Figure 2: The Ridge-form hanging Wall of the Paulsens East Iron Ore Deposit

The test samples do not include low grade siliceous material immediately adjacent to the high purity iron rich conglomerate bands. Accordingly, the average head grade of the test samples is higher than the average grade of the deposit. These siliceous materials are equally competent and are not expected to affect the lump to fine ratio indicated by the testwork.

Specific gravity tests were also completed on 20 separate samples.

Test Work Overview

Lump and Fines (Stage Crush and Drop Tower)

The Stage Crush and Drop Tower test results indicate that 79% of crushed material is likely to be classified as 'lump' material (> 6mm < 30mm in size), which typically attracts a price premium (depending upon market factors at the time of sale) over 'fines' material (< 6mm) of the same grade.

The testwork also indicates that the lump material is likely to be approximately 2% Fe higher in grade than that of the fines material, which will also potentially attract a further price premium for the lump material.

Assays of the material taken after the Drop Tower test confirmed that both the lump and fines materials are likely to be exceptionally low in deleterious elements such as phosphorous (~0.05%) and sulphur (~0.008%), which can otherwise result in price penalties.

Crush Work Index

The Crush Work Indices for the samples varied from 27.4 to 6.5, averaging 15.3 kwh/tonne.

Tumble Index

Tumble Index of lump material varied from 95.6% to 95.9%, averaging 95.8%, an excellent result indicating that there is likely to be little degradation of the lump material during handling and transportation.

Specific Gravity

Specific Gravity (**SG**) measurements on 20 samples (averaging 65% Fe) returned a consistent result of 4.80. It should be noted that JORC Indicated Mineral Resource¹ estimate is based on an assumed SG of 4.2, taking into account dilution and low-grade envelope.

Further SG measurements are planned on lower grade material and waste in outcrop and at depth in drill holes for mine planning purposes and to determine potential for increase in resource size and a decrease in mining strip ratios.

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

Testwork Results Summary

Table 1 below shows a Summary of the Metallurgical Testwork results for the Paulsens East Iron Ore Project.

Table 1: ALS IOTC Metallurgical Testwork for Paulsens East Iron Ore Project, Summary Results.

TESTWORK RESULTS SUMMARY								
Job Number: Project Ore Type: Date:	A20317 Strike Resources Iron Ore 20/09/2019							
Testwork	Sample			Crushing Work Index (kWh/t)				
	ID	Number of Specimen	SG (kg/L)	Max	Min	StdDev	Average	
Bond Impact Crushing Work Index	Composite#1	20	4.80	27.4	6.5	6.2	15.3	
Testwork	Sample		Bond Abrasion Index					
			Index Classification	Abrasion Index (Ai)				
Bond Abrasion Index	Composite#1		Highly Abrasive	1.0003				
Testwork	Sample		Mass Distribution		Assay Summary			
	ID	Product	(kg)	(%)	Fe (%)	SiO2 (%)	Al2O3 (%)	LOI-1000 (%)
Dropping	Composite#1	Lump	176.20	79.2	66.0	3.09	1.31	0.82
		Fines	46.40	20.8	64.0	4.90	1.86	1.23
Testwork	Sample	Index	Tumble Abrasion Index					
			Test A	Test B	Average			
Tumble Abrasion Index	Composite#1 ADL	Tumble Index (Ti)	95.6	95.9	95.8			
		Abrasion Index (Ai)	2.6	2.6	2.6			

For further background information about Paulsens East, please refer to Strike's recent ASX market announcements as follows:

- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project;
- 1 August 2019: Strong Progress at the Paulsens East Iron Ore Project;
- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe - Paulsens East Iron Ore Project in the Pilbara;

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

FOR FURTHER INFORMATION

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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 and the Paulsens East Iron Ore Project in Western Australia. 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.

JORC CODE COMPETENT PERSON'S STATEMENTS

The information in this document that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by the Strike Resources Limited on:

- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project
- 15 July 2019: Maiden JORC Resource of 9.1 Million Tonnes at 63.4% Fe – Paulsens East Iron Ore Project in the Pilbara

The information in the original announcements that relates to Mineral Resources and other Exploration Results (as applicable) in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Jones, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). 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 Strike ASX market announcements referred to above may be viewed and downloaded from the Company's website: www.strikeresources.com.au or the ASX website: www.asx.com.au under ASX code "SRK".

The information in this announcement that relates to metallurgical test work in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is based on and fairly represents information and supporting documentation compiled by Mr Philip Jones, who is a Member of the AusIMM and AIG. Mr Jones is an independent contractor to Strike Resources Limited. The information that relates to Processing and Metallurgy is based on the work done by ALS Metallurgy Iron Ore Technical Centre (ALS IOTC) on a bulk sample collected under the direction of Mr Jones and fairly represents the information compiled by him from the ALS IOTC testwork report. 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). Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This announcement 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.