

# MARKET ANNOUNCEMENT

## Significant Port and Rail Infrastructure Development Update in Peru

### HIGHLIGHTS

- Peruvian Government has awarded a contract for the construction and operation of a new ~40Mtpa capacity Marcona Port Terminal to be built by Chinese company, Terminal Portuario Jinzhao Perú S.A. at a cost of ~US\$405 Million.
- The Marcona Port Terminal has been designed as part of an integrated project to connect with the proposed transformative and significant Marcona-Andahuaylas Railway project.
- The Marcona-Andahuaylas Railway is proposed to commence at the Andahuaylas Airport, which is directly adjacent to Strike's Apurimac Iron Ore Project, and terminate at the Marcona Port Terminal.
- The awarding of a construction and operating contract for the Marcona Port Terminal is based on a Peruvian Government planning assumption that Strike's Apurimac Project may contribute up to ~50% (~20Mtpa of iron ore) of the total freight passing through the Port.
- The development of the Marcona Port Terminal is viewed by Strike as a highly significant step in the Peruvian Government's plans to construct the Marcona-Andahuaylas Railway, as an underlying assumption is that the Port will rely in part, on the potential for a substantial freight capacity that Strike may deliver to the Port via the proposed Marcona-Andahuaylas Railway line.
- The Peruvian Government continues with work to advance the Marcona-Andahuaylas Railway line as a public private partnership with construction costs now estimated to be ~US\$5 Billion.
- The Marcona Port Terminal has the potential to act as a catalyst for the development of the Marcona-Andahuaylas Railway, which will have very significant ramifications for the development of Strike's Apurimac Project.

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to provide an update on significant port and rail infrastructure development initiatives in Peru, and its impact on Strike's Apurimac Iron Ore Project (**Apurimac**).

The Peruvian Government, through its Private Investment Promotion Agency (**PROINVERSIÓN**), has awarded a design, financing, construction, operation and maintenance contract for a new San Juan de Marcona Port Terminal (**Marcona Port Terminal**).<sup>1</sup>

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<sup>1</sup> Refer PROVERSION Statement dated 22 March 2024 : State awards the development of the project "New Port Terminal of San Juan De Marcona



With an anticipated investment of approximately US\$405 million, this multipurpose megaport project is set to revitalise economic activities in southern Peru and has particular relevance to Strike as it is tied into and forms part of an integrated infrastructure plan proposed by the Government to create the Marcona-Andahuaylas Railway line which commences at the Andahuaylas Airport directly adjacent to Strike's Apurimac Project and terminates at the Marcona Port Terminal.<sup>2</sup>

The construction tender was awarded to the Chinese firm Terminal Portuario Jinzhao Perú S.A., with construction expected to begin in 2025, with Phase 1 of the port operations expected to commence two years later. This contract underscores international interest and confidence in Peru's economic prospects.

The development of the Marcona Port Terminal is relevant to Strike's Apurimac Project as it has cemented the first step in the Peruvian Government's plans to build the Marcona-Andahuaylas Railway line.

Once fully operational, the Marcona Port Terminal is projected to handle over 40Mt of freight annually, with the Government planning for Strike's Apurimac Project to potentially contribute approximately half of the Port capacity of up to 20Mtpa of iron ore.<sup>3</sup>

Table 1 below is an extract of the projected utilisation of the Marcona Port Terminal prepared by PROINVERSIÓN which illustrates the significant anticipated iron ore shipments proposed from the Apurimac Project ("Hierro Apurimac") which will rely on the Marcona-Andahuaylas Railway line to deliver iron ore to the Port.<sup>3</sup>



## PROJECT DEMAND



### MAXIMUM LOADS IN THE DEMAND PROJECTION

MINERAL	COMPANY	PROJECT	PESSIMISTIC SCENARIO	MODERATE	POTENTIAL DEMAND
Iron	Jinzhao	Pampa del Pongo	11,776,900	<b>17,392,900</b>	17,392,900
	Apurimac Ferrum	Hierro Apurimac			20,040,000
Copper, Zinc or Molybdenum	Marcobre	Mina Justa		<b>210,800</b>	210,800
	Shougang	Inputs	15,100	<b>15,100</b>	15,100
	Shouxin	Tailings operation	291,500	<b>291,500</b>	1,375,300
	Jinzhao	Pampa del Pongo	195,080	<b>200,580</b>	200,580
	Southern Copper Co	Los Chancas		<b>587,100</b>	587,100
	Panoro Apurimac	Antilla		<b>97,080</b>	97,120
	Buenaventura (Molle Verde)	Trapiche		<b>260,300</b>	260,300
	Hudbay	Constancia	2,500	<b>2,500</b>	37,500
<b>Total MT</b>			<b>12,280,680</b>	<b>19,057,860</b>	<b>40,216,700</b>

Source: ProInversión

Table 1 – PROINVERSIÓN's Projected Port Capacity at the New San Juan de Marcona Port Terminal<sup>β</sup>

Whilst the Marcona-Andahuaylas Railway line is still in the development phase, Strike is very pleased to see the awarding of a construction and operation contract for the Marcona Port Terminal as it is an important step forward in the potential development of the Marcona-Andahuaylas Railway line as an integrated mine to port solution for the considerable iron ore deposits held by Strike through its Peruvian subsidiary, Apurimac Ferrum S.A.

2 Refer PROVERSION Statement dated 18 March 2024: The New Marcona Port would boost investments of more than US\$15 billion in the south of the country

3 Refer PROVERSION Presentation dated 2 May 2024: Presentation of new port investment opportunity - New Port Terminal of San Juan de Marcona

## About Marcona-Andahuaylas Railway Line

In 2018, Strike announced the Peruvian Government's plans to construct a railway linking Strike's Apurimac Project to the port of San Juan de Marcona.<sup>4</sup> This initiative marked the beginning of significant advancements in Peru's infrastructure development efforts. The Marcona-Andahuaylas Railway is envisaged as a transformative link between the coastal and mountainous regions of southern Peru. With a length of 560km and strategic stops in key economic hubs, including Ica, Arequipa, Ayacucho, and Apurímac, this railway is anticipated to benefit over 4 million people.



Figure 1: Strike Apurimac Iron Ore Project, showing route of proposed Marcona-Andahuaylas Railway

The Marcona-Andahuaylas Railway project stems from a comprehensive study commissioned by the Peruvian Government in 2019.<sup>4</sup> Strike has been actively engaged in collaboration with the Peruvian Government's Southern Railway Study Group, contributing to the analysis of various route options. The preferred route, starting directly at the Andahuaylas Airport adjacent to Strike's Apurimac Project, is poised to optimise logistical efficiency and reduce capital costs, thereby enhancing the viability of Apurimac.

The convergence of the new San Juan de Marcona Port Terminal project and the Marcona-Andahuaylas Railway initiative underscores Peru's commitment to driving economic growth, fostering regional development, and improving the quality of life for its citizens. These transformative infrastructure investments are stated by the Government to herald a new era of prosperity and opportunity, positioning Peru as a dynamic hub for commerce, trade, and innovation in the South American region.

Strike is highly encouraged by these port and rail developments and remains committed to actively collaborating with the Peruvian Government and other stakeholders to ensure the successful development of Peru's port and rail infrastructure projects.

4 Refer also Strike's ASX Announcements dated:

- 8 February 2018: Peru Government Plans Railway Linking Strike's Apurimac Iron Ore Project to Port
- 24 October 2018: Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port
- 18 April 2019: Strike Enters into Cooperation Agreement with Peru Railway Consortium
- 5 December 2019: Railway Project Gathers Momentum in Peru – Positive Outlook for Strike's Apurimac Iron Ore Project
- 31 August 2021: Peruvian Prime Minister Confirms Railway Connecting Strike's Apurimac Project to Port

## About Apurimac Iron Ore Project

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 Figure 1).

A **JORC Indicated and Inferred Mineral Resource of 269Mt of iron ore at 57.3% Fe** has been defined at the main Opaban 1 and Opaban 3 concessions, consisting:<sup>5</sup>

- 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.

In addition to the current JORC Mineral 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.

Strike has also completed two shipments (to Chinese and South American Steel Mills) of high-grade (+65% Fe) Apurimac Premium Lump shipping iron ore (**DSO**) in 2021.<sup>6</sup>

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## AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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## ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which 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 (27.7%) 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.

The Strike ASX market announcements referred to in this announcement 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".

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5 Refer Strike's ASX Announcement dated 20 January 2015: Apurimac Mineral Resources Updated to JORC 2012 Standard

6 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

## JORC CODE (2012) COMPETENT PERSON'S STATEMENT

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 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 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 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.

## 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 the Company, 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 the Company 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 its experience and its 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. The Company 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. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.