

ASX MARKET ANNOUNCEMENT

Update and Clarification - Peru Iron Ore Presentation

Strike Resources Limited (ASX:[SRK](#)) (**Strike**) provides the following update and clarification in relation to the Managing Director’s “Peru Iron On Track” presentation at the Latin America Down Under (LADU) 2018 Conference, a copy of which was released on ASX on 16 May 2018.

‘Production Target’ Statements

The presentation included the following statements:

At Page	Statements
2	“Peru Government sponsored multi-user railway is the catalyst to advance Strike’s 20Mtpa iron ore project” “20Mtpa production potential”
4	“Strike will be by far the biggest potential user of this railway, transporting ~20 Million tonnes of iron ore per annum”
5	“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”
11	“Peru Iron Apurimac Iron 20 Mtpa Cusco Iron 20 Mtpa = Total Iron 40 Mtpa”
12	“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)”
19	“Strike’s Cusco Project offers expansion potential for an additional 20 Mtpa (40Mtpa total between Apurimac and Cusco)”
23	“Government sponsored Andahuaylas Railway will facilitate development of Strike’s 20 Mtpa Apurimac High Grade Iron Ore Deposit”

These statements are derived principally from:

- A Pre-Feasibility Study on the Apurimac Iron Ore Project undertaken by Snowden Mining Industry Consultants and SKM in 2008, which utilised a proposed slurry pipeline configuration but considered a range of infrastructure options including a railway – refer Strike’s ASX Announcement dated [23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru](#);
- Further infrastructure studies, including a more detailed technical and costing study on building and operating a dedicated railway, undertaken by Ausenco Sandwell and SRK Consulting in 2010 - refer Strike’s ASX Announcement dated [23 November 2010: Apurimac Project Update](#) and Strike’s [December 2010 Quarterly Report](#);



- The Mineral Resource estimates for the Apurimac Project, which were 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 were 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](#); and
- The Mineral Resource estimate for the Cusco Iron Ore Project, which was prepared and first disclosed under the 2004 JORC Code in Strike's ASX Announcement dated [17 June 2011: Cusco Project – Resource Estimate](#) and 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.

Each of these 'production' related statements may constitute a 'Production Target'¹ as defined in the ASX Listing Rules, which requires disclosure of additional information under Chapter 5 of the Listing Rules² - Strike is currently reviewing the disclosure requirements in this regard vis a vis the material assumptions in the abovementioned (2008 and 2010) studies.

Accordingly, Strike retracts the 'production target' related statements referred to above and advises that this information should be disregarded and investors should not rely on the retracted statements for their investment decisions.

US\$650 Million Valuation Statements

The presentation included the following statements:

At Page	Statements									
7	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="text-align: center;">"2008</td> <td style="text-align: center;">2018</td> </tr> <tr> <td style="text-align: center;"><i>Peru Iron Ore Asset Valuation</i></td> <td style="text-align: center;"><i>US\$650M¹</i></td> <td style="text-align: center;"><i>?</i></td> </tr> <tr> <td style="text-align: center;"><i>Strike share of Peru Iron Ore Assets</i></td> <td style="text-align: center;"><i>69%: (US\$450M)</i></td> <td style="text-align: center;"><i>100%</i>"</td> </tr> </table>		"2008	2018	<i>Peru Iron Ore Asset Valuation</i>	<i>US\$650M¹</i>	<i>?</i>	<i>Strike share of Peru Iron Ore Assets</i>	<i>69%: (US\$450M)</i>	<i>100%</i> "
	"2008	2018								
<i>Peru Iron Ore Asset Valuation</i>	<i>US\$650M¹</i>	<i>?</i>								
<i>Strike share of Peru Iron Ore Assets</i>	<i>69%: (US\$450M)</i>	<i>100%</i> "								
23	"Previous project valuation of US\$650M in 2008 ¹ indicates significant re-rating potential for Strike - currently only A\$10M market capitalisation"									

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

These statements are derived from Strike's ASX Announcement dated [1 April 2008: Update on Potential Sale of Peruvian Iron Ore Assets](#).

These '\$650 million valuation' statements are intended to be a recitation of Strike's historical 2008 ASX Announcement (referred to above) and not intended to convey a sense of the current valuation – Strike does not consider, at this stage, that it has a reasonable basis to ascribe this amount as the current valuation of the Apurimac and Cusco Projects.

Accordingly, Strike retracts the valuation related statements referred to above and advises that this information should be disregarded and investors should not rely on the retracted statements for their investment decisions.

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.

1 Defined in Chapter 19 (Interpretation and Definitions) of the ASX Listing Rules as "a projection or forecast of the amount of minerals to be extracted from a particular mining tenement or tenements for a period that extends past the current year and the forthcoming year."

2 Refer ASX Listing Rules 5.15 to 5.19