

## ASX MARKET ANNOUNCEMENT

### Peru Government Awards \$13 Million Tender for Andahuaylas Railway Study Linking Strike's Apurimac Iron Ore Project to Port

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to provide the following update regarding its iron ore projects in Peru.

The Ministry of Transport and Communications in Peru (**MOTC**) has awarded a tender to an international consortium of engineering companies to study the feasibility of constructing the proposed multi-user railway from the inland city of **Andahuaylas** in southern Peru, to the mineral export Port of San Juan de Marcona on the west coast of Peru (the **Andahuaylas Railway**). The value of the tender is ~A\$13 million<sup>1</sup>.

Strike's Apurimac Iron Ore Project (the **Project**) is located **only 20km from the city of Andahuaylas**. 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.



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

The consortium undertaking the study comprises local Peru subsidiaries of international companies Dohwa Engineering Co. Ltd. (Korea), Geodata Engineering S.P.A. (Italy) and Genera Consulting S.A.C.. Whilst no specific guidance has been given by the consortium, Strike expects the study to take approximately 12 months to complete.

<sup>1</sup> 31 million Peruvian Nuevo Sol



A railway has always been considered as the best infrastructure solution for the Apurimac Project, given the high-grade nature of the iron ore deposit. A railway connecting the Apurimac Project to a Port will provide Strike the ability to attract premium pricing for high-grade lump and fines products, compared to a concentrate product delivered through an alternative slurry pipeline.

In addition, a railway will allow for capital and processing costs at the mine to be substantially reduced, given the considerably simplified process to produce lump and fines products from Strike's high-grade ore compared to producing a slurry concentrate.

Commenting on the award of the tender, Strike Managing Director, William Johnson:

*"The Andahuaylas Railway, if it proceeds, will be an absolute game changer for Strike in Peru.*

*The award of the tender is an important step in progressing this opportunity and validates our decision to hold on to this world-class deposit over the last ten years. Strike will provide whatever assistance we can to the Government of Peru and the Study Consortium to make this valuable infrastructure a reality as quickly as possible.*

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:

- 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
- 23 July 2008: Prefeasibility Results Confirm World Class Prospects in Peru

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## 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.