

ASX MARKET ANNOUNCEMENT

Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East

This is a replacement of an ASX market announcement dated 6 October 2020: Discovery of High Grade Iron Rich Detritals at Surface at Paulsens East, with an updated Appendix A, which provides further technical details in accordance with the JORC Code (2012 Edition)

KEY HIGHLIGHTS

- Recent earthworks have identified high-grade hematite rich detrital material at surface at Paulsens East
- Sampling from surface to a depth of 1.5m approximately 100m north from the hematite ridge indicated the presence of loose scree dominated by high-grade hematite
- Screening and assay results indicate an average Fe grade of 60% with 83% recovery with minor crushing to top size of 32mm
- A number of significant areas of similar surface materials have also been identified and an exploration programme is now proposed (October 2020) to test the extent of the mineralisation area and depth
- Up to 120 pits to be dug over an area approximately 2,700m long by an average 120m wide and to a depth of up to 3m
- Detrital material is already broken and reduced in size which usually sees exceptionally low strip ratios and no drilling or blasting in production scenarios which can result in lower operating costs.

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to advise that it has discovered high grade hematite rich detrital mineralisation at its Paulsens East Iron Ore Project (**Project**). Based on encouraging initial assay results and the observation of significant areas of similar surface materials, an exploration programme is due to commence shortly to test the extent of such mineralisation.

Such detrital material has not previously been accounted for in Strike's Resource inventory for the Project, which currently comprises a three kilometre long outcropping hematite ridge with a **JORC Indicated Mineral Resource of 9.6 Million tonnes at 61.1% Fe**, 6.0% SiO₂, 3.6% Al₂O₃, 0.08% P¹.

During the recent Bulk Sampling programme conducted during August 2020², extensive occurrences of high grade hematite rich detrital material were observed along the northern base of the outcropping hematite ridge.

Sampling taken (DL1 in Figure 2) was undertaken from surface to a depth of 1.5 metres from a site located approximately 100 metres north from the base of the ridge for analysis. Visual inspection of the sample location indicated that the eroded detrital material extended to at least 1.5 metres depth.

- 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
- 2 Refer Strike's ASX Announcement dated 2 September 2020: Test Pit and Bulk Samples to Advance Offtake Agreements Completed at Paulsens East

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Figure 1 - Paulsens East Hematite Ridge with detritals in foreground

Results of laboratory testwork on the samples showed a highly encouraging product grade of 60% Fe, 6.4% SiO₂ and 3.4% Al₂O₃ with a mass recovery of 83% on crushing to -32mm and simple wet screening at +1mm size.

Table 1 below presents a summary of the testwork after wet scrubbing which comprised crushing to a top size of 32mm, dry screen size analysis on a representative portion of the sample, followed by wet scrubbing and analysis of selected size fractions using a second portion of the crushed material.

Screen Size (mm)	Weight Distribution %	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%
+6.3-32mm (Lump)	63.7	60.1	6.19	3.73	0.11	0.005	3.01
-6.3+1mm (Fines)	19.6	61.1	7.06	2.39	0.10	0.005	2.02
-1.0+0.063mm	5.8	37.9	34.10	4.53	0.08	0.003	3.47
-0.063mm	10.9	16.7	43.80	18.10	0.058	0.008	8.43

Table 1 - Analysis of (Detrital Sample DL1) Screened Material After Wet Scrubbing

Further technical details are set out in Appendix A.

A subsequent review of drill logs from Strike's previous drilling campaigns³ along the northern edge of the hematite ridge at Paulsens East has confirmed that a number of drill holes encountered iron rich loose scree within the first few metres from surface (refer Figure 2). Remaining holes were either drilled in weathered bedrock or too close to bedrock with no significant loose surficial material.

³ Refer also Strike's ASX Announcements dated 4 December 2019: High Grade Results Located 1.6km from 9.6Mt Resource and 5 December 2019: Drilling and Surface Sampling Results at Paulsens East Iron Ore Project

Detrital iron ore deposits are formed by weathering and erosion of outcropping iron mineralisation, with such eroded material often being found at the base of outcropping ridges of mineralised rock (as at Paulsens East) presenting itself as pebbles and fine gravel mixed up with soil and alluvium (refer also Figure 1).

Examples where such detrital materials have been successfully mined in Western Australia include Mt Newman (Orebody 25, BHP) and Brockman 2 Detritals Mine (Hamersley Iron, Rio Tinto).

The technique for mining and upgrading detrital iron ore typically includes simple excavation (e.g. using a bulldozer and with a front end loader) and minor crushing to required top size together with relatively inexpensive dry or wet screening. Because the detrital material is already broken and reduced in size, strip ratios are exceptionally low and no drilling or blasting would typically be required.

Thus, potential exists for significant savings in the cost of mining surface detrital materials, compared to mining normal bedrock deposits.

Strike is planning to test the potential extent and quality of the detrital material at Paulsens East with a sampling programme (to be undertaken in October 2020) of up to 120 pits to be dug over an area approximately 2,700 metres long east to west by an average 100 -150 metres wide north to south, totalling approximately 32 hectares (refer Figure 2).

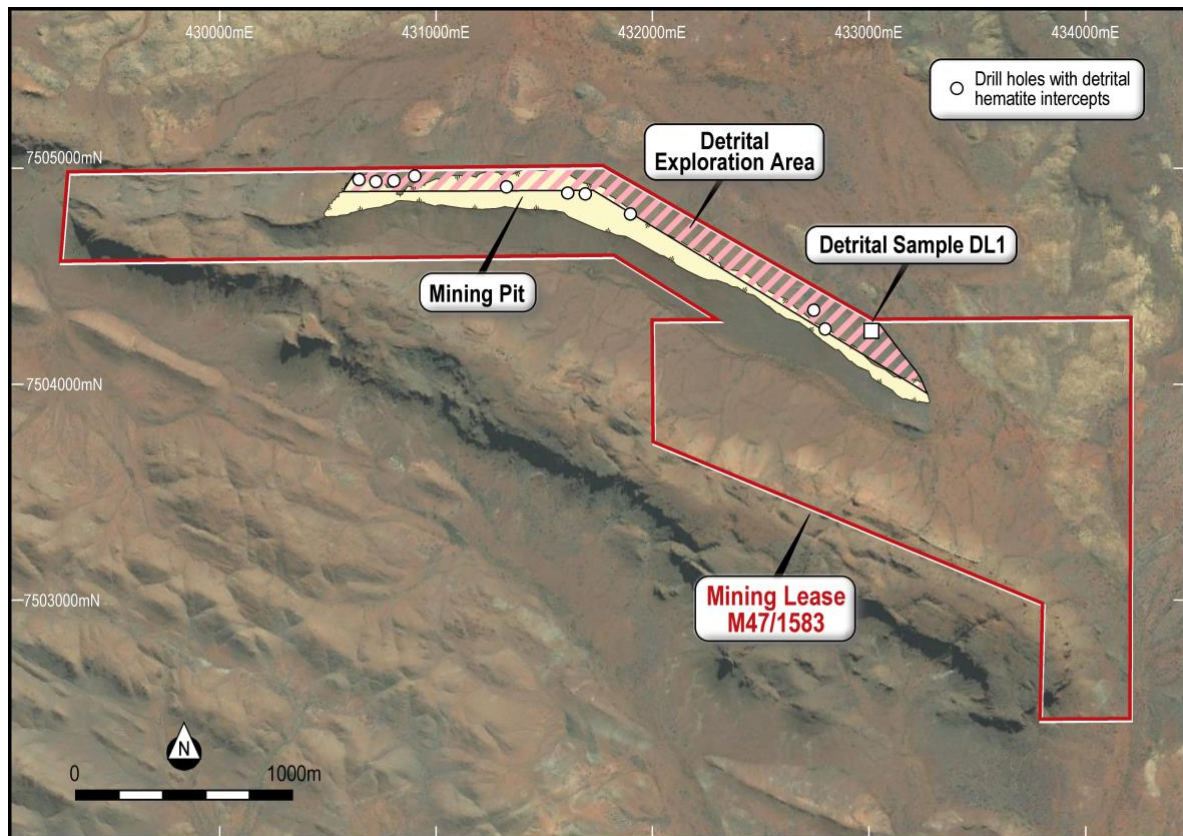


Figure 2 - Location of detrital exploration area

The area being investigated sits partially over the area of the open pit designed for the proposed main Paulsens East Mine - i.e. is surface material that would otherwise have been cleared as waste material as the main Project is developed (refer Figure 2).

The pits will be dug up to 3 metres in depth (or until visual mineralisation ceases to be observed) and located mostly on existing tracks and cleared drill pads (from Strike's 2006 and 2008 drilling campaigns).

Samples taken from the pits will be sent for test work and analysis to determine the Fe grade, impurities and the best manner for the detrital material to be upgraded to a DSO product.

Should the exploration programme confirm the presence of significant quantities of detrital iron ore, Strike will undertake further studies to determine the commercial viability of exploiting these detrital materials.

Strike Managing Director, William Johnson:

"The presence of such high grade detrital material is very exciting. If the existence of significant quantities of this iron ore material are determined as a result of the current exploration programme, such material has the potential to deliver additional value for Strike which has not previously been accounted for in our Project studies".

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

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

ABOUT PAULSENS EAST IRON ORE PROJECT

The Paulsens East Iron Ore Project (Strike 100%) (Project) is located in the Pilbara, Western Australia and comprises a 3km long outcropping ridge of high grade Direct Shipping Iron Ore (DSO). Strike is advancing a Feasibility Study on the Project and is targeting production of 1.5Mtpa of Lump and Fines DSO for an initial mine life of 4 years, commencing in 2021.⁴

⁴ Refer SRK's ASX Announcement dated 9 April 2020: Revised Scoping Study for Utah Point, Port Hedland Supports Excellent Project Economics for Paulsens East Iron Ore Project. The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially changed.

JORC CODE COMPETENT PERSON'S STATEMENT

- (a) The information in this announcement that relates to **Exploration Results** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) has been compiled by Mr Hem Shanker Madan, who is a Member of the Australasian Institute of Mining and Metallurgy (**AusIMM**). Mr Madan is an independent contractor to Strike Resources Limited and was formerly the Managing Director (September 2005 to March 2010) and Chairman (March 2010 to February 2011) of Strike Resources Limited. Mr Madan 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 Mineral Resources and Ore Reserves" (the **JORC Code**). Mr Madan consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.
- (b) The information in this announcement that relates to **Mineral Resources** in relation to the Paulsens East Iron Ore Project (Pilbara, Western Australia) is extracted from the following ASX market announcements made by Strike Resources Limited on:
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project; and
 - 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 is based on, and fairly represents, information and supporting documentation prepared by Mr Philip Jones, who is a Member of 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 **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".

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 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.

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. Strike 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. Strike does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

APPENDIX A

JORC CODE (2012 EDITION) CHECKLIST OF ASSESSMENT AND REPORTING CRITERIA FOR EXPLORATION RESULTS

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	Commentary
<i>Sampling techniques</i>	- A channel sample from the north side of one pit (excavated to a depth of 1.5m) and a representative sample from the pit spoils (the location of Sample DL1 is marked in Figure 2 of the Announcement) were collected and combined to constitute the sample tested in the laboratory. - Being a walk in pit and the material being loose, sample recovery was excellent. Sample spoils were laid out along-side the pit, which also allowed representative sampling. - The combined sample was stage crushed to minus 32mm, split into four parts. One quarter (1/4) was screen sized at various size fractions and analysed for the iron ore suite of elements. A further quarter (1/4) was retained as a reserve sample. The balance (2/4) was soaked for 24 hours, scrubbed, and analysed for the iron ore suite of elements at various size fractions based on the results of dry screen / size assay data. All analyses were done by pulverising representative samples and a small representative portion taken for XRF analysis. - A qualified and experienced geologist conducted the sampling.
<i>Drilling techniques</i>	The sample was not obtained from drilling.
<i>Drill sample recovery</i>	The sample was not obtained from drilling.
<i>Logging</i>	- Sample logging is qualitative in nature. - The sample was photographed. - A qualified and experienced Geologist was present on site to collect and log the sample.
<i>Sub-sampling techniques and sample preparation</i>	- The sample is considered representative of the material being taken from the pit. The sample included potentially barren material. - The sample was dry. - No field duplicates were taken. - Sample preparation technique uses industry best practice and was undertaken at an ISO accredited laboratory following international standard procedures. - No work has been completed to determine if sample size is appropriate to the grain size of the material being sampled given nature of pit sampling conducted.
<i>Quality of assay data and laboratory tests</i>	The sample was tested and analysed by ALS Iron Ore Technical Centre in Perth, Western Australia (an independent ISO accredited laboratory) (ALS) following international standard procedures to produce total assays.
<i>Verification of sampling and assaying</i>	- The screen size testwork and scrubbing screen size testwork as well as sample analyses were conducted by ALS following international standard procedures. Analyses were done using XRF to produce total assays. - No independent verification of the data was made by the Competent Person.
<i>Location of data points</i>	The sample pit is located within a 60m x 40m georeferenced sample laydown area. The sample (DL1) location shown in Figure 2 in the Announcement is based on a GPS measurement, the accuracy of which was verified using a georeferenced Google Earth image.
<i>Data spacing and distribution</i>	Along the pit wall and also from sample spoils from the pit.
<i>Orientation of data in relation to geological structure</i>	The pit was dug in flat lying loose scree and alluvium. As such the sample measures the true thickness of the material present and sampled.

Criteria	Commentary
<i>Sample security</i>	- The sample was collected by Company personnel, retaining chain of custody until delivery to laboratory. - The sample submitted for chemical analysis was securely transported from the field to the laboratory.
<i>Audits or reviews</i>	There have been no audits or reviews of the sampling techniques or data.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	The sample is located entirely within Mining Lease M47/1583, which was granted on 4 September 2020 with an initial term of 21 years (to Orion Equities Limited, with Strike Resources Limited being the ultimate beneficial owner).
<i>Exploration done by other parties</i>	Hamersley Iron conducted regional and reconnaissance exploration at Paulsens East for hidden large bedded high-grade iron deposits in the older Brockman Iron Formation that may have been the source material for the hematite conglomerate from 1997- 1999. No other parties have carried out significant iron ore exploration at Paulsens East.
<i>Geology</i>	The detrital material is eroded and accumulated in the soil profile on the slope and at the foot of the range directly below the range comprising bands of hematite conglomerate and enclosing ferruginous sediments. The hematite conglomerates and the detritus accumulations are sedimentary.
<i>Drill hole Information</i>	The sample was not obtained from drilling.
<i>Data aggregation methods</i>	No data aggregation is involved
<i>Relationship between mineralisation widths and intercept lengths</i>	The pit was not dug to the base of mineralised material. It was stopped due to preponderance of fine grained silty and clayey material at the base.
<i>Diagrams</i>	All diagrams necessary to describe the project are included in the body of the Announcement.
<i>Balanced reporting</i>	The Competent Person believes that the reporting of the Exploration Results in the Announcement is balanced.
<i>Other substantive exploration data</i>	No other exploration data other than local geology and as described in this Appendix A were considered.
<i>Further work</i>	On the basis of a review of lithological logs of holes drilled previously in 2006 and in 2008 and on the basis of soil colouration mapped from high resolution aerial photographs, an area (approximately 2,700m long and on average approximately 120m wide) has been identified and recommended for sampling by shallow pits to a depth of 2 to 3m.