

ASX MARKET ANNOUNCEMENT

Completion of \$1.8 Million Capital Raising

Strike Resources Limited (ASX:SRK) (**Strike**) is pleased to announce the completion of a \$1.8 million capital raising via the issue of 40,000,000 fully paid ordinary shares at an issue price of \$0.045 each.

The issue was completed within the Company's 15% placement capacity (pursuant to Listing Rule 7.1) and the additional 10% placement facility approved by shareholders at the Company's last Annual General Meeting held on 28 November 2019 (pursuant to Listing Rule 7.1A).

Canaccord Genuity (Australia) Limited acted as Lead Manager to the placement to professional and sophisticated investors. The share offer was substantially oversubscribed and required a scale back in applications to \$1.8 million. The demand demonstrates the strong interest in Strike's Paulsens East Iron Project (**Paulsens East**) as a near term development opportunity in the iron ore sector.

The funds raised will be used to advance the development of Paulsens East including bulk sampling for further metallurgical testing, progression of off-take discussions, finalisation of native title and mining licence applications and for general working capital purposes.

Strike Managing Director, William Johnson:

"This capital raising allows Strike to continue to fast-track the development of Paulsens East, capitalising on the current strong iron ore price which is driven predominantly by forecast demand growth out of China and simultaneous supply constraints from Brazil.

"Strike's Paulsens East Project offers investors exceptional upside exposure to the strengthening iron ore market. The results of our recently completed Scoping Study demonstrated that Paulsens East is a very attractive project, requiring a relatively low capital investment of only \$8.2 Million yet with the potential for a rapid payback of this capital within only three months and the potential for \$150 Million in free cashflow over the initial four year life of mine."

Strike is targeting first production before the end of this year, and in this regard is actively advancing the project including completion of the project feasibility study, finalising negotiations with Traditional Owners, potential contractors, suppliers and off-take partners and obtaining the necessary permits and approvals in order to meet this target."

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

William Johnson
Managing Director

T | 0419 047 460
E | wjohnson@strikeresources.com.au

1 Refer Strike'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 change



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 has completed a Scoping Study² 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 the fourth quarter of 2020.

² Refer also SRK's ASX Announcements dated:

- 9 April 2020: Revised Scoping Study for Utah Point, Port Hedland Supports Excellent Project Economics for Paulsens East Iron Ore Project
- 25 March 2020: Utah Point, Port Hedland Considered as Preferred Port Option for Paulsens East Iron Ore Project
- 28 November 2019: Excellent Scoping Study Results for Paulsens East Iron Ore Project
- 4 September 2019: Significant Upgrade of JORC Mineral Resource into Indicated Category at Paulsens East Iron Ore Project