

MARKET ANNOUNCEMENT

Sale of Minority Stake in Apurimac Iron Ore Project

SUMMARY

- Strike Resources and JE United Ltd (**JEL**), an international iron ore trader, have entered an agreement (**Agreement**) for the sale by Strike of a 28.52% (indirect) interest in Apurimac Ferrum S.A.C. (**AF**) for **A\$5.5 million cash**, taking JEL's total interest in AF from its current 20% to 48.52%.
- The Agreement also contemplates JEL making available to AF a **US\$5 million (~A\$ 7.065 million¹) credit facility (Credit Facility)** to assist in financing future iron ore production from the Apurimac Iron Ore Project and for price hedging purposes in relation to iron ore production and sales (**Credit Facility**).
- The sale is subject to conditions precedent, to be satisfied on or before 15 March 2027.
- The transaction will unlock funds to accelerate the development of the Apurimac Iron Ore Project, comprised of a contribution from sale proceeds by Strike, the Credit Facility and capital contributions by JEL as an incoming AF shareholder.

Strike Resources Limited (ASX:SRK) (**Strike** or **Company**) is pleased to announce that it has entered into a Share Sale Agreement (**Agreement**) with JEL to sell it a further indirect 28.52% interest in its wholly-owned Peruvian subsidiary, Apurimac Ferrum S.A.C (**AF**) in consideration of a cash sale price of A\$5.5 million (**AF Sale**).

The AF Sale will be effected by Strike selling JEL 100% of the shares in wholly owned subsidiary Strike Finance Pty Ltd (**Strike Finance**), which has a 48.52% shareholding in AF. The sale of the whole of Strike's shareholding in Strike Finance to JEL will thereby incorporate JEL's existing 20% beneficial interest in AF as well as the further 28.52% indirect interest being acquired, taking JEL's indirect shareholding in AF (via its 100% holding of a legal and beneficial interest in Strike Finance post Completion) to 48.52%. AF is the 100% owner of Strike's Apurimac Ferrum Iron Ore Project in Peru (**Apurimac Project**).

JEL will pay a \$200,000 deposit (**Deposit**) to an escrow agent within three business days, to be paid to Strike on Completion as part of the Purchase Price.

At Completion of the AF Sale, Strike will receive A\$5.5 million (including the Deposit) (**Purchase Price**) less \$100,000 to be applied towards the legal expenses of JEL.

Subject to Completion of the AF Sale occurring, capital contributions for a total of A\$7 million first being made to AF by JEL, Strike or by third party investors either through equity contributions or loans or a combination of the same and execution of an iron ore marketing agreement between AF and JEL (as detailed below), JEL will also make available a US\$5 million (A\$ ~7.065 million) credit facility to AF (**Credit Facility**) to assist with the development of the Apurimac Project including (among other purposes) capital for mining operations, creation of iron ore stockpiles for sale and for price hedging purposes in relation to AF iron ore production and sales. Further details of the

1 At a USD:AUD exchange rate of 1:1.4130, quoted on 13 March 2026
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proposed Credit Facility are set out in Annexure A to this announcement. The final terms of the Credit Facility and iron ore Marketing Agreement are currently being finalised between the parties.

Until the Credit Facility is repaid in full, it is proposed that JEL will be granted exclusive marketing rights for the sale of iron ore by AF. For that purpose, the Credit Facility will be conditional on the execution of a marketing agreement under which AF appoints JEL to market 100% of iron ore production from the Apurimac Project until the Credit Facility, including interest, is repaid in full.

Completion of the AF Sale (**Completion**) will occur on satisfaction of certain conditions precedent (detailed in Annexure A), which must be fulfilled or waived on or before 16 March 2027, subject to extension by agreement of the parties (**Conditions Precedent**).

On Completion a shareholders' agreement governing the relationship of Strike and Strike Finance as AF shareholders will come into effect, in a form specified in the Agreement (**Shareholders' Agreement**). The key terms of the Shareholders' Agreement, including details of the management structure of AF following Completion of the AF Sale, are summarised in Annexure A.

Apurimac Project development program

Strike will apply the net proceeds of the Purchase Price towards its share of the future costs of advancing development of the Apurimac Project and in particular the resumption of mining operations and for general working capital purposes.

AF's ongoing work program is principally directed at the resumption of small-scale iron ore production at the Apurimac Project. Planned work directed to this objective includes drone magnetometry and LiDAR surveys, and a ground mapping and sampling program currently underway to identify high-grade iron ore zones on its concessions suitable for surficial direct shipping ore (**DSO**) production; ongoing engagement with and funding for local communities surrounding its concessions; negotiating community and surface land access agreements to facilitate mining and entering agreements with artisanal miners for the provision of out-sourced mining services.

The scale and timing of resumption of mining operations is dependent on a number of matters including completion of field works, permitting, approvals and related matters and is ultimately dependent on the world iron ore price.

Detailed terms of Agreements

A summary of the key terms of the Agreement, the Shareholders' Agreement, the proposed Credit Facility and Marketing Agreement are set out in Annexure A to this announcement.

Transaction rationale

Given prevailing market conditions and the significant financial requirements of advancing an iron ore project in Peru, the Strike Board considers that it is in shareholders' best interests for Strike to raise working capital by selling a further 28.52% in AF to JEL for A\$5.5 million on the terms of the Agreement and for AF to enter into the Credit Facility.

The AF Sale will provide strategic benefits to Strike, including:

- (a) it will receive significant cash consideration (A\$5.5 million), which it intends to use to fund its share of Apurimac Project development costs and for general working capital purposes;
- (b) it is expected that JEL, as an indirect 48.52% shareholder in AF, will contribute its proportion of the future funds required by AF to develop the Apurimac Project (reducing the absolute quantum of cash commitment required from Strike) or be diluted in accordance with an industry standard dilution formula; and
- (c) JEL will also make available the \$US5 million (~A\$7.065 million) Credit Facility to AF with a term of up to two years from Completion², also to be used to fund Apurimac Project

² Subject to the occurrence of the matters upon which that agreement is conditional, as stated in this announcement

development, subject to finalisation of the formal Credit Facility agreement and satisfaction of the conditions precedent in that document.

Farooq Khan, Executive Chairman:

The JEL transaction is a positive development for Strike on the path to bringing its world-class Apurimac Project back into production.

The Board considers that funding the development of the Apurimac Project in this way is a superior option to seeking further capital from outside investors at the Strike shareholder level which would otherwise see existing shareholders potentially diluted.

JEL is a well-capitalised, experienced iron ore industry participant which will add considerable value as a strategic partner in AF.

Shareholders' approval

ASX has advised that Listing Rules 11.1.2, 11.1.3 and 11.2 do not apply to the AF Sale. Accordingly, shareholders' approval for the transaction is not required.

Overview of JEL

JEL is a private investment company controlled by Mr Zhoufeng (Jeff) Zhang. Mr Zhang also controls Good Importing International Pty Ltd (GII). GII is an international iron ore trading company having previously been involved as an offtake partner for a number of Australian iron ore producers including Mt Gibson Iron, Karara Mining, Pluton Resources and Shree Minerals.

Mr Zhang, directly and through GII and its associates, currently has a relevant interest in 9.88% of the issued capital of Strike.

Strike has previously had a number of business dealings with GII including:

- In April 2021 Strike entered into a two-year offtake agreement with GII for iron ore from the Apurimac Project with a US\$2 million pre-payment³, and
- In February 2022⁴ GII made available a US\$7.2 million (~A\$10 Million⁵) loan facility to Strike to fund Stage 1 Development of its (then) Paulsens East Iron Ore Project⁶.

Strike looks forward to working with JEL to effect Completion and to advance its Apurimac Iron Ore Project.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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Executive Chairman

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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 previously exported "Apurimac Premium Lump" DSO product of ~65% Fe. Strike also has a 27.7% (31.01 Million shares) interest in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a \$9 Million IPO in May 2021.

3 Refer Strike's ASX Announcement dated 14 April 2021: Peru Iron Offtake Agreement Signed with US\$2 Million Prepayment

4 Refer Strike's ASX Announcements dated 28 February 2022: Funding Secured and Production to Commence at Paulsens East Iron Ore Project, 16 December 2022: Update on Paulsens East Project Financing and 4 April 2023: Further Update on Paulsens East Project Financing

5 At the USD:AUD exchange rate prevailing at that time

6 This facility was repaid from the proceeds of sale of the Paulsens East Iron Ore Project – refer Strike's ASX Announcement dated 8 March 2024: Completion of Disposal of Paulsens East Iron Ore Project

ANNEXURE A

Key Terms of the Agreements

Share Sale and Purchase Agreement	
Parties	Strike Resources Limited (Strike) (as Seller), JE United Ltd (JEL) (as Buyer) and Strike Finance Pty Ltd (Strike Finance)
Sale Shares	100% of the shares held by Strike in Strike Finance – which holds a 48.52% shareholding in Apurimac Ferrum S.A.C (AF), owner of the Apurimac Iron Ore Project in Peru. This represents the sale of a further 28.52% indirect interest in AF to JEL, in addition to the 20% indirect beneficial interest already held by JEL
Conditions Precedent (CPs)	(a) Strike and Strike Finance obtaining cost certificates⁷ for Peruvian capital gains tax purposes to Strike's reasonable satisfaction with the benefit of such condition capable of being waived by Strike alone (b) various conditions concerning the inter-company arrangements between Strike, AF, and certain other Strike subsidiaries to facilitate the sale of Strike Finance to an outside party (c) the Buyer and Seller each being satisfied, acting reasonably, that any capital gains tax (CGT) applicable to the AF Sale will not exceed A\$100,000. (Strike will be liable for any CGT on the AF Sale below that amount under a tax indemnity in the Agreement)
Completion	Immediately after satisfaction or waiver of the Conditions Precedent
Cut-off Date for CPs	The Conditions Precedent must be satisfied or waived on or before 16 March 2027
Consideration	Cash of A\$5.5 million on Completion (including the Deposit) less \$100,000 to be applied towards the legal expenses of JEL
Deposit	A\$200,000 (payable into escrow within three (3) business days of execution) (Deposit) which will be: (a) paid to Strike if any failure of Completion is caused by JEL seeking to terminate/rescind the Agreement when not entitled to do so or Strike lawfully terminating the Agreement for breach by JEL (including material breach of a warranty or representation); or (b) refunded to JEL if a failure of Completion is caused by any other matter or thing (including termination for non-satisfaction of a Condition Precedent)

⁷ Under Peruvian tax law a cost certificate (*Certificado de Capital Invertido*) may be issued by SUNAT (Peru's taxation authority) to establish the Peruvian equivalent to a "cost base" (under Australian tax law) of shares for the purposes of Peruvian capital gains tax

Other Material Terms	(a) JEL will grant the Credit Facility (detailed below) to AF on Completion, subject to satisfaction of the conditions on which that agreement is to come into effect, detailed below (b) Strike and JEL will execute a Shareholders' Agreement, detailed below, to take effect on Completion (c) For so long as the Credit Facility is drawn down JEL will be granted iron ore marketing rights for any iron ore production from the Apurimac Project (detailed below) (d) Customary terms and conditions for a transaction of this nature, including customary warranties and indemnities, customary caps and limitations on claims, and customary termination mechanisms
Proposed Credit Facility	
Parties	JEL (as Lender) and Apurimac Ferrum S.A.C (AF) (as Borrower)
Amount	US\$5 million (A\$ ~7.065 million ⁸)
Status and Conditions Precedent	The parties are currently negotiating the final terms of the Credit Facility. Subject to finalisation of that agreement it is expected that the Credit Facility will contain the following conditions precedent: (a) Completion of the Agreement; and (b) Execution of the Marketing Agreement (see further below)
Drawdown Availability	From satisfaction of the conditions precedent and until 24 months from Completion of the Agreement, and provided that capital contributions for a total of A\$7 million are first made to AF by JEL, Strike or by third party investors either through equity contributions or loans or a combination of the same
Interest Rate	10% per annum
Principal and Interest Payments	(a) Any interest not paid when due and payable will be capitalised and added to the principal amount outstanding or such other arrangement as may be agreed between the parties. The principal amount of the Credit Facility, together with accrued interest, is repayable by AF only from proceeds from the sale of iron ore or from the termination or closure of any iron ore hedging arrangement (b) Until the Credit Facility is repaid in full, JEL is granted exclusive marketing rights for the sale of iron ore by AF. For that purpose, it will be a condition precedent to the Credit Facility Agreement that AF execute an agreement appointing JEL to market 100% of iron ore production from the Apurimac Project until the Credit Facility, including interest, is repaid in full (Marketing Agreement)
Other Terms	The formal Credit Facility agreement will contain other provisions regarding events of default, undertakings and representations and warranties as are usual for a loan of this nature
Proposed Marketing Agreement	
Parties	AF (as Seller) and JEL (as Marketing Agent)
Marketing	JEL will market 100% of iron ore production from the Apurimac Project for the term of the Marketing Agreement in consideration of a marketing fee, at a rate to be agreed
Term	From drawdown by AF under the Credit Facility until the principal and interest under it is repaid in full

8 At the exchange rate specified in note 1

Other Terms	The Marketing Agreement will contain other provisions common in agreements of that kind
Shareholders' Agreement	
Parties	Strike and Strike Finance (as then controlled by JEL) (each a Shareholder) and AF (the Company)
Term	This agreement will remain in force for such time as AF has more than one shareholder
AF Management	AF management will be the responsibility of a Management Committee (Committee), to which each Shareholder will appoint two representatives. As majority Shareholder Strike may appoint the Committee Chair, who will have a casting vote except on matters requiring Special Majority Approval
Special Majority Approval	Decisions concerning (among other things) certain strategic matters, including substantial asset acquisitions and disposals, substantial borrowings and corporate actions, the approval of business plan and budgets, incurring material capital expenditure or entering material contracts require "Special Majority Approval", being a resolution passed by Shareholders (or their nominees) which hold at least 75% of the voting shares AF requires unanimous Shareholders' approval to enter a related-party transaction
Other Terms	The Shareholders' Agreement contains other terms common in agreements of that kind

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.