STRIKE
RESOURCES LIMITED

Thursday, 14 September 2006

MARKET ANNOUNCEMENT

Peru Iron-Ore Update – Due Diligence

The Company refers to its recent announcements regarding its investment in the Apurimac and Cuzco Iron-Ore Projects in Peru.

The agreement for Strike to earn a 51% (or greater) interest in these projects (through the acquisition of up to a 51% (or greater) shareholding in Apurimac Ferrum S.A. (**AF**), a Peruvian company that will hold one or both projects) is subject to completion of satisfactory due diligence by Strike on or before 15 September 2006.

Strike's due diligence investigations are now essentially complete and the Company is awaiting final reports from various parties it has commissioned to assist in the due diligence process (translated into English) next week. Based upon Strike's understanding of draft reports received to date, the Company would be likely to confirm satisfaction of due diligence and its intention to proceed with the venture shortly thereafter.

However, as the date for completion of due diligence occurs on 15 September and the Company is not likely to receive final due diligence reports by then, Strike has elected to extend the due diligence date by one month as permitted under the agreement.

Practically however, Strike expects due diligence to be formally confirmed well within such one month period. That is, Strike anticipates being in a position to declare completion of satisfactory due diligence shortly after receipt of the English translated due diligence reports next week.

Strike confirms that upon declaration of due diligence, it will undertake its initial equity investment into Apurimac Ferrum on receipt of confirmation that title to the project tenements have been recorded in the name of Apurimac Ferrum, under the terms of the agreement.

The funds invested into Apurimac Ferrum will be immediately applied towards an exploration and evaluation programme involving:

- additional drilling to gain further confidence and improve the quality of the JORC resource estimate at the Opaban III tenement in the Apurimac Project area;
- additional drilling to determine a JORC compliant resource estimates within the Opaban I and the other 19 tenements in the Apurimac Project areas;
- a detailed gravity survey over existing outcrops and over large known magnetic anomalies in the Cuzco Project areas followed by drilling to determine a JORC compliant resource estimate for this project area.

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