

MARKET ANNOUNCEMENT

Completion of Placement and Share Purchase Plan

The Company is pleased to announce the completion of a \$3 million share placement to institutional, professional and sophisticated investors.

The Company has determined to allow current shareholders the opportunity to also subscribe for shares at the same price (\$1.30 per share) through a \$5 million Share Purchase Plan (SPP).

The funds raised will ensure the timely advancement of exploration, evaluation and development of the Company's mineral projects. In particular, the raising will secure the Company's ability to accelerate its investment commitments in relation to the Apurimac and Cuzco Iron-Ore Projects in Peru (which is a total investment of US\$6.5 million over 5 years; a minimum of US\$1.4 million within the first 12 months).

Under the SPP, shareholders registered as at 7 November 2006 (the **Record Date**) will be eligible to apply for either \$1,000, \$3,000 or \$5,000 of shares at an issue price of \$1.30 per share.

The SPP issue price represents a 20% discount to the volume weighted average price (VWAP) of SRK in the one month, and a 26% discount to SRK's VWAP in the 5 day period, prior to the date of this announcement.

If the total value of SPP subscriptions exceed \$5 million, the Company reserves the right to scale-back the applications or retain some or all of the over subscriptions.

Indicative SPP Timetable

Notice to SRKO option-holders of the SPP	Wednesday, 25 October
Record Date under the SPP	Tuesday, 7 November
Despatch of SPP documentation including Entitlement Forms	Wednesday, 8 November
Opening Date of SPP	Thursday, 9 November
Closing Date of SPP	Thursday, 23 November
Allotment of SPP shares and despatch of holding statements	Monday, 27 November

The Company will give notice of the SPP to its listed option holders to allow such holders to convert their options into shares by the Record Date, to participate under the SPP.

For further information:

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