

Tuesday, 14 November 2006

MARKET ANNOUNCEMENT

Australian Iron-Ore Update - Paulsens East Extension of High Grade Mineralisation

The Company refers to its market announcement dated 17 July 2006 titled "Australian Iron-Ore Update - Paulsens East High Grade Mineralisation". That announcement referred to the results of 19 surface samples having been collected across varying points of an approximate 3,000m long ridge located within its Paulsens East tenement PL 47/1170.

The 19 sampled iron-ore outcrops indicated the presence of iron mineralisation of between 62.59% Fe and 67.05% Fe presenting as hematite conglomerate in hematite matrix.

At that time the Company confirmed that it also held the adjoining Exploration Licence EL 47/1328 and that upon grant of such tenement it would conduct works on the tenement to establish the relationship between the two tenement areas.

As a consequence of the recent grant of EL 47/1328 the Company is pleased to report that it has completed a reconnaissance survey and sampling programme in EL 47/1328.

The results of such programme has shown that the high-grade mineralisation previously reported in PL 47/1170 appears to extend beneath cover for a strike distance of an additional ~1.7km to the south-east into EL 47/1328 and swing further northwards along the range for some distance still within EL 47/1328.

Samples collected from the extension are significant in their high-grade - with up to 66.34% Fe having been recorded. This result was obtained from a small outcrop 1.7km from the previously reported high grade samples in PL 47/1170, along the ridge. This discovery has the potential to extend the mineralisation reported previously.



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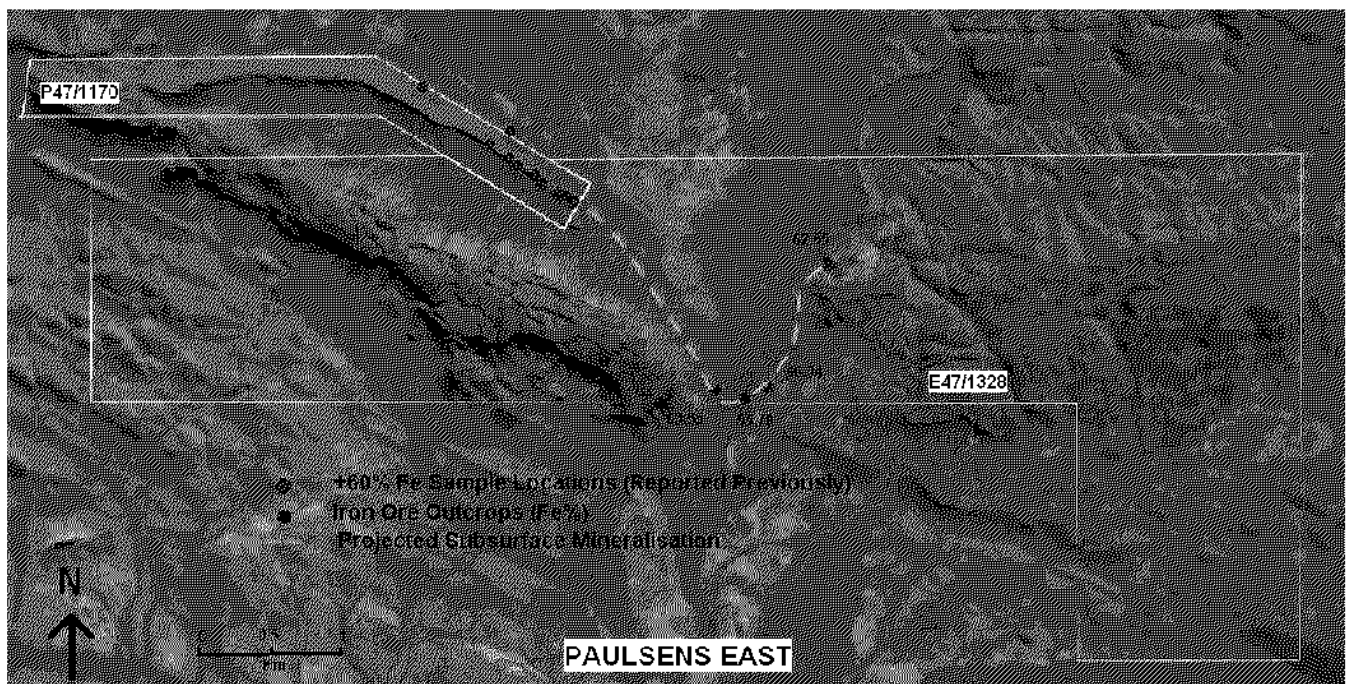
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The illustration below outlines the previously reported sampling work conducted in P47/1170 and the projected extension of Fe mineralisation from P47/1170 into E47/1328.



The Company is encouraged by this potentially significant extension of mineralisation, both with respect to the high grades encountered and the potential strike length associated with the same.

The Company has accordingly just completed a detailed gravity survey of the intervening area covering the plain stretching between the two sets of outcrops.

The results of the gravity survey will greatly assist the Company in delineating additional drilling targets within the newly granted EL 47/1328.

Such results are expected shortly and before the start of a drilling programme on the tenements which is expected to commence in early December 2006 upon release of a drilling rig on to the tenements.

Further details of the sample results are outlined in the following table:

PAULSENS EAST

Surface Samples of Hematite Conglomerate and Mineralised Iron; October 2006

Sample	Fe	SiO ₂	Al ₂ O ₃	MnO	CaO	P	S
UNITS	%	%	%	%	%	%	%
FK54	66.34	2.5	1.41	0.02	0.15	0.072	0.007
FK55	55.78	16.11	2.24	0.03	0.15	0.087	0.006
FK56	62.55	7.39	1.81	-0.01	0.05	0.053	0.025
FK57	63.55	5.49	1.86	0.03	0.31	0.136	0.006

The Company will continue to keep the market informed of its progress in advancing this project.

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The information in this market announcement that relates to exploration results has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has in excess of 5 years experience which is relevant to the style of mineralisation under consideration and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this market announcement of the matters based on his information in the form and context in which it appears.