Market Announcement

Apurimac Iron Ore Project - Exploration Update

(This announcement is being re-released to add further details of the Colcabamba exploration target.)

The Company is pleased to present an update on the diamond drilling programme currently underway within the Apurimac Iron Ore Project[1] located in the Southern Highlands of Peru.

Assay results have now been received from the first of ten diamond holes planned to be drilled at the Colcabamba Iron Ore Prospect.

Announcement Highlights

- Three diamond holes completed to date totalling 700 metres.
- Mineralised intersections in DDH-COL-003 consistent with logged zones of Fe enrichment:
  - 6 metres @ 59.7% Fe, 1.7% Al_2O_3, 7.89% SiO_2, 0.04% S and 0.02% P from 2.60 metres;
  - 6.9 metres @ 46.9% Fe, 3.4% Al_2O_3, 17.6% SiO_2, 0.16% S and 0.03% P from 12.60 metres.
- Geological logging indicates significantly broader zones of high-grade magnetite mineralisation have been intersected within COL-001 and 002 (see the Company's December, 2010 Quarterly Report). Results for these holes are expected to flow from early March 2011.
- Broad intersections returned anomalous copper and barium values.

(See *Appendix A* for a full summary of the significant drill assay intersections.)

Increased Exploration Target

As reported previously during the December quarter, extensive field work continued within the satellite concessions to prioritise existing targets and identify additional prospective areas for more detailed evaluation.

The initial focus has been the Colcabamba area, where three large magnetic anomalies lie coincident with major structural zones and extensive areas of outcropping ironstones recording >60% Fe in rock chip samples. Mapping of the ironstone exposures and surface sampling indicates potential for at between 50 – 80 million tonnes of iron ore at 45 - 60% Fe within the top 100 metres. A program comprising 10 diamond drill holes commenced in December as planned.

(*The potential quantity and grade of the target iron ore is conceptual in nature. There has been insufficient exploration to define an additional mineral resource in relation to that target iron ore. It is uncertain whether further exploration will result in the determination of an additional mineral resource in relation to that target iron ore.*)

The three target areas (see *Figure 1* below) are geologically associated with an intrusive complex of diorite to quartz monzonite dikes and sills with iron-rich hydrothermal

[1] Strike has a 44% interest in this project, with potential to increase to 100% through a shoot-out mechanism. This mechanism is explained in Strike's 2010 Annual Report.

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mineralisation occurring within and at the margins of these intrusives as breccias or skarns. These mineralised systems are generally tabular and steeply dipping, indicating reasonable depth continuity.

Colcabamba Iron Ore Prospect – Preliminary Interpretation

Drilling activities at Colcabamba commenced on 13 December 2010 and to date three (3) of the ten (10) holes planned have been completed, within target Area A.

The drilling programme has been hampered by heavy wet season rain; however Apurimac Ferrum (AF) is working with the drilling contractor to develop migration plans to minimise the impact which this has on the drilling schedule.

The first of these holes (COL-003) terminated at 320 metres in weakly-altered granodiorite. Mineralisation intersected included massive magnetite and hydrothermal breccia veins. The hole intersected the East Creston target (see *Figure 2* below); however it did not intersect the second or the West Creston outcrop, as field observations suggest that this portion was displaced by a later strike slip east-west fault.

Interestingly, copper sulphide mineralisation was identified in drill hole COL-003 in several locations, including within the massive magnetite body in the upper part of the system from 7.63 to 13.60 meters down hole and in alteration zones and breccias at 19.50 metres and 35.10 metres down hole. An anomalous value for gold was also recorded in COL-003 of 1 metre at 0.12ppm Au from 43.1 metres down hole.

The Apurimac concessions, including the Colcabamba Prospect, lie within the tectonic Andahuaylas-Yauri Belt and metallogenic province, which hosts a number of world-class polymetallic deposits (see *Figure 3* below). This belt is highly prospective for polymetallic deposits which include iron, copper, molybdenum, gold, lead and zinc mineralisation.

Cuzco Resource Estimate

Work continues on the Cuzco resource estimate by SRK Consulting in Santiago and the final report is expected during the first half of March. Finalisation of this work has been impacted by heavy work commitments and limited direct experience in modelling iron ore deposits, which has required additional input by AF staff.

JORC Code Competent Person Statement

The information in this document which relates to exploration results has been compiled by Mr Ian Cullen B.Sc. (Geology), who is a member of the Australasian Institute of Mining and Metallurgy and is an employee of Strike Resources Limited. Mr Cullen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify 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 Cullen consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

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Figure 1: Colcabamba Geological Setting Showing Target Areas

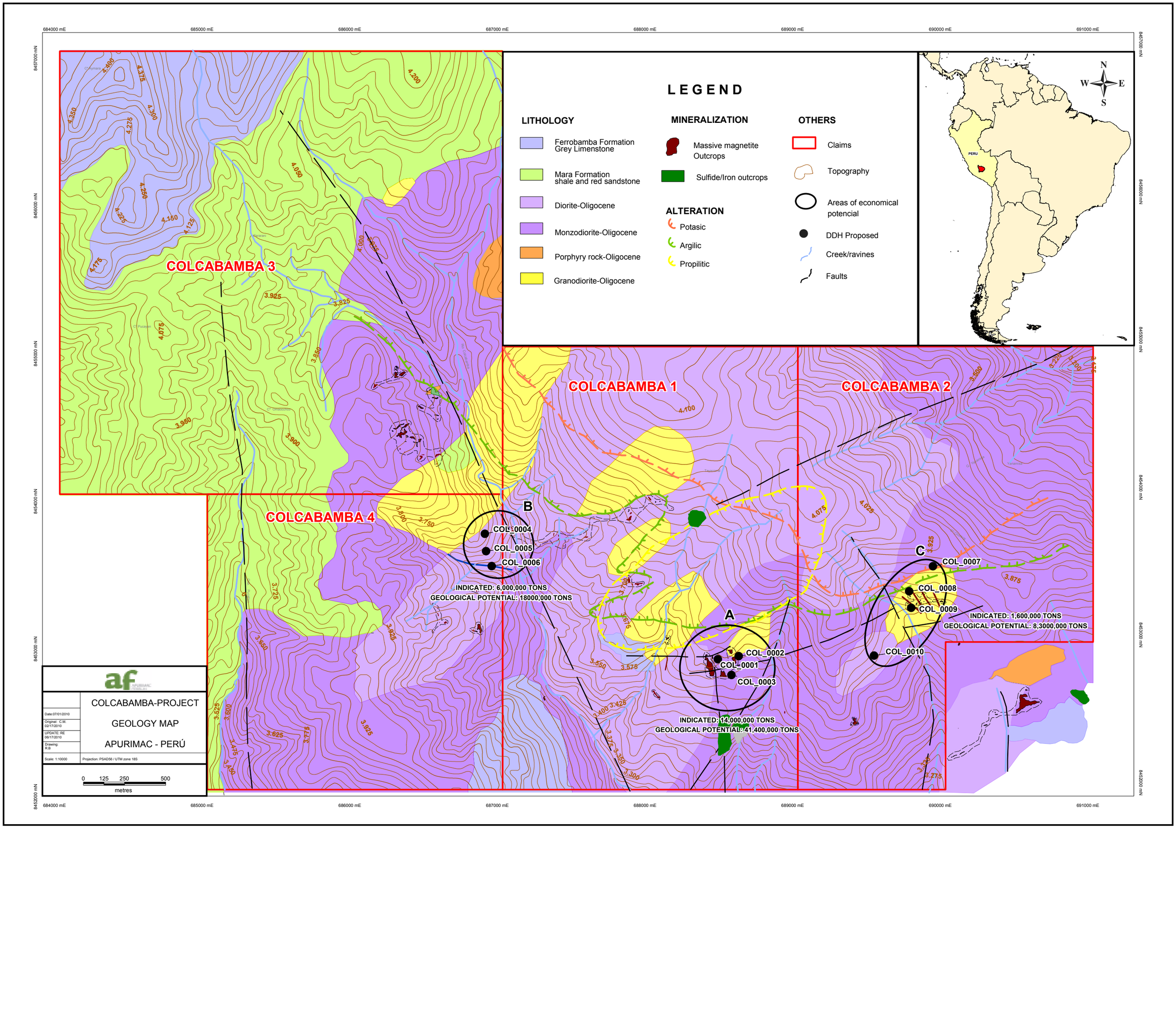


Figure 2: Geological Cross Section – COL-003

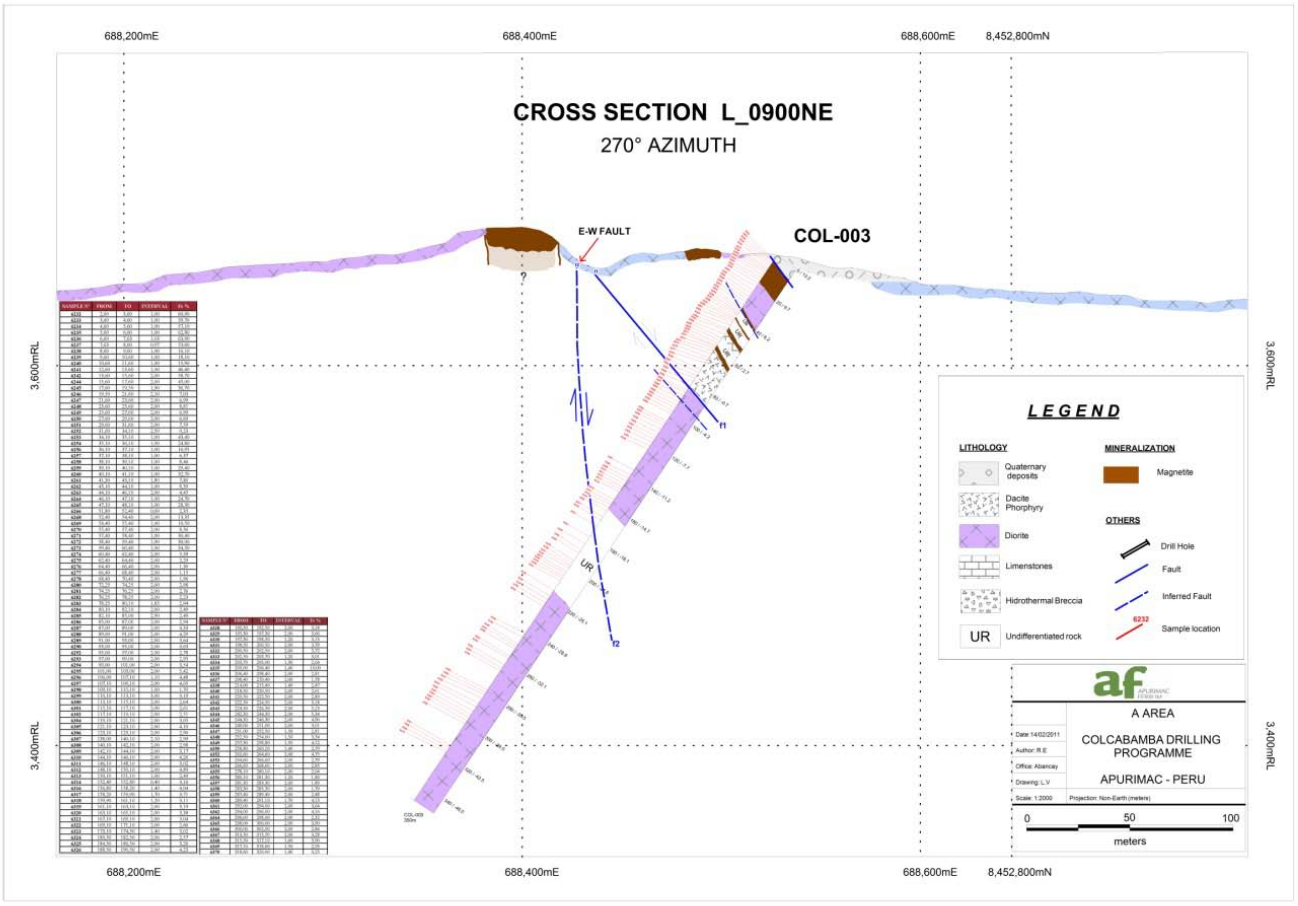
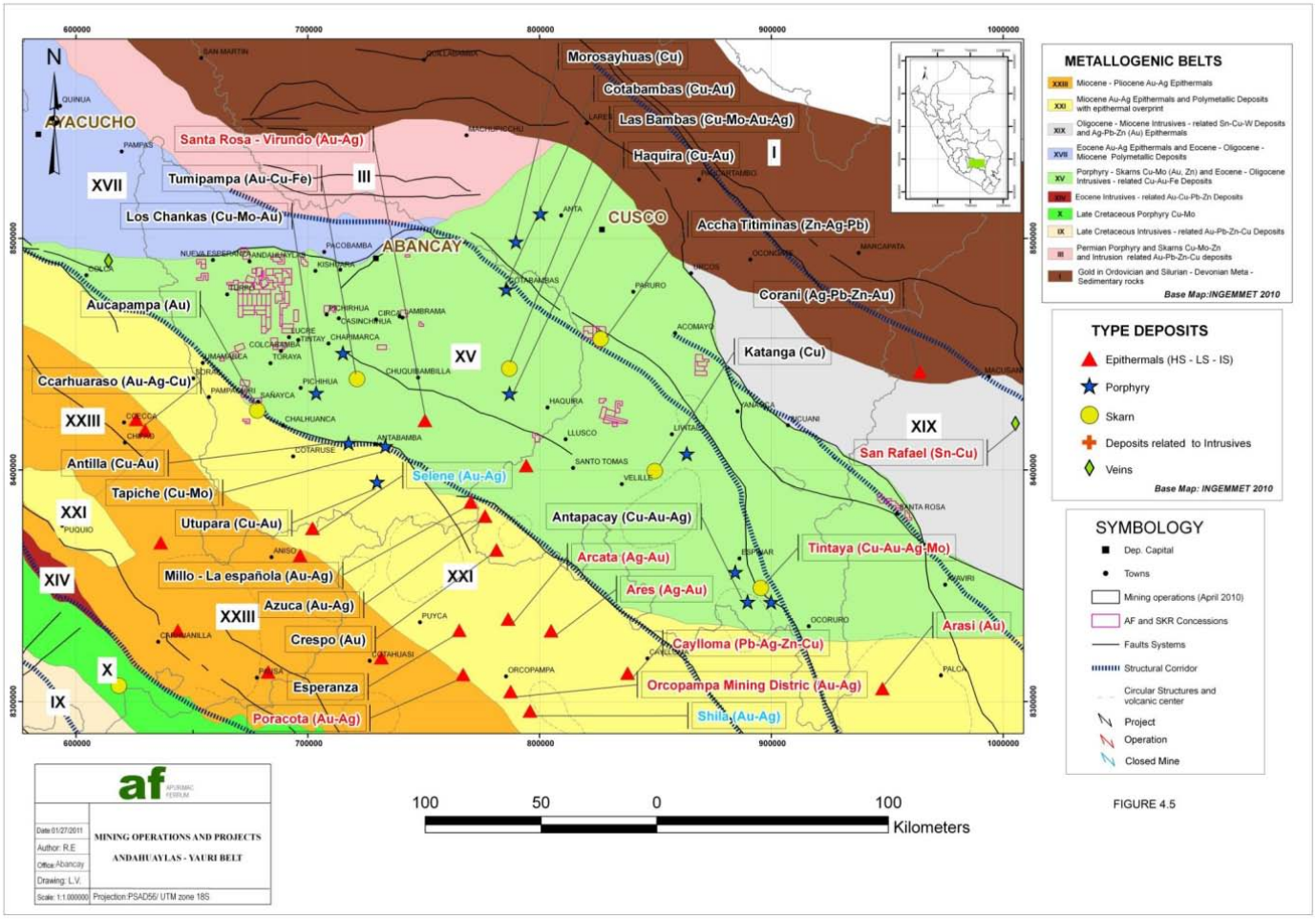


Figure 3: Andahuaylas-Yauri Metallogenic Province – Southern Peru



Appendix A
Colcabama Iron Ore Prospect –
Summary Diamond Drill Hole Results – February 2011

Hole ID	PSAD56 Easting	PSAD56 Northing	Dip	Azimuth	From (m)	To (m)	Down Hole Width (m)	Fe%	Al2O3 %	SiO2 %	P %	S%	LOI %
DDH-COL-003	688532	8452750	-55	270	2.6	8.6	6	59.7	1.67	7.89	0.021	0.04	1.27
					12.6	19.5	6.9	46.89	3.4	17.59	0.320	0.16	4.05
Down Hole Composite							12.9	52.85	2.60	13.08	0.181	0.10	2.76

Intervals calculated using a 30% Fe cut-off grade and 3 metre minimum interval

All samples were analysed using an XRF fusion method with LOI at 1000^{0}C

Summary Diamond Drill Hole Results – February 2011

Hole ID	PSAD56 Easting	PSAD56 Northing	Dip	Azimuth	From (m)	To (m)	Down Hole Width (m)	Cu ppm (XRF)	Cu ppm (ICP)	Au ppm
DDH-COL-003	688532	8452750	-55	270	7.63	13.6	5.97	1245		
					35.1	37.1	2		3255	
					43.1	44.1	1			0.126

Copper(Cu) analysis was determined using ICP and XRF mehthods

Gold (Au) analysis was determined using the AAS method