



Wednesday, 15 August 2012

## Market Announcement

### Cuervo Resources Inc. – Bob 1 Drilling Results

#### Announcement Highlights

- Initial hole at Bob 1 intersects magnetite-rich zones with 182 metres at 39.6% Fe
- Assays from two further holes expected within 7 days
- “Step-out” drilling planned

#### Summary

Strike Resources (**Strike** or the **Company**) is pleased to announce the results of the initial drill hole completed by Cuervo Resources Inc. (**Cuervo**) on the “Bob 1” target zone of its Cerro Ccopane iron ore project in southern Perú. The initial drill hole (No. 2, drilled vertically) intersected 182.15 metres (m) of iron mineralisation (from 12.35m to 194.5m) at an average grade of 39.6% iron (Fe) with 23.2% Silica (SiO<sub>2</sub>), 2.3% Sulphur (S), 0.08% Phosphorous (P), 0.16% Manganese (Mn) and 0.10% Copper (Cu).

Five holes have been completed to date. Assay results from the next two holes are expected within 7 days.

#### Drilling Program Objectives and Results

The current drilling program is designed to provide an initial test of the Bob 1 target which comprises magnetite mineralisation mapped on surface over more than 3 kilometres of strike, coincident with strong magnetic and gravity anomalies (refer *Figure 1*, below). The program comprises a total of 4,500 metres of planned drilling on 16 to 20 drill sites targeted for completion in mid-October this year.

Access to the Bob 1 area is relatively challenging due to steep topography, which slowed completion of the main access road and requires on-going care during the preparation of drilling pads. For this reason the initial 5 holes completed to date cover a strike length of approximately 400 metres within the central portion of the Bob 1 target. Cuervo management is exploring a range of options to enable larger “step-outs” in the drilling to the north and south of the main access road.

Two drilling rigs are currently operating at site with a third rig expected to commence in September once sufficient access sites are available.

This initial drill hole intersected several intervals of massive magnetite (e.g. assay results of 51.63% Fe over 21.05m from 103.45m and 52.78% Fe over 26.0m from 140.50m) alternating with narrower intervals of intermediate intrusive (less than 10 metres and generally less than 5 metres thick). Sulphide-rich zones (predominately pyrite) are also locally present and exhibit

similar grain sizes within the magnetite mineralisation to those at Cuervo's Orcopura, Huillque and Aurora zones some 10 kilometres SSE.

Preliminary low-intensity magnetic separation (Davis Tube) carried out previously on selected samples of sulphide-rich mineralisation from the Orcopura zone showed that both pyrite and chalcopyrite (Cu-bearing sulphide) could be removed to produce a high-grade iron ore concentrate. Cuervo plans to carry out Davis Tube processing on samples of the Bob 1 mineralisation when more drill holes have been completed. The Bob 1 Davis Tube results are expected to be similar to those from Orcopura, given the similarity in magnetite mineralisation at these prospects.

A nominal sampling interval of 2.0m is currently being used within the sections of typical iron mineralisation. Analysis was performed by the SGS del Perú S.A.C. laboratory in Lima, Perú, which is a member of the S.G.S. International group of laboratories and is ISO 9001-certified. The iron (Fe) analyses were conducted by titration methods and the sulphur analyses (S) were carried out with a LECO furnace. All other analyses, which include phosphorous (P), manganese (Mn) and copper (Cu), were performed by ICP-AES after a multi-acid ("total") digestion. Laboratory check analyses were performed on approximately 10% of the samples submitted while field duplicate samples were performed on an average of 1 in 36 samples submitted. Field standard samples were performed on an average of 1 in 40 samples sent to the laboratory. All drill cores were logged and sampled at a new logging/cutting facility in Cusco.

## Background Information

The Bob 1 zone is considered highly prospective for iron ore. It contains strong magnetic and gravity anomalies (refer *Figure 2*, below) coincident with a broad band of magnetite outcrops extending over 3 kilometres in strike length, the largest yet identified on the Cerro Ccopane property. Rock chip samples from these outcrops averaged >63% Fe and the prospect is geologically similar to the Orcopura, Huillque and Aurora areas where previous drilling has outlined iron ore resources totalling 179 million tonnes at an average grade of 48.2% Fe (refer *Table 1*, below, for a full breakdown of JORC Code categories and grades).

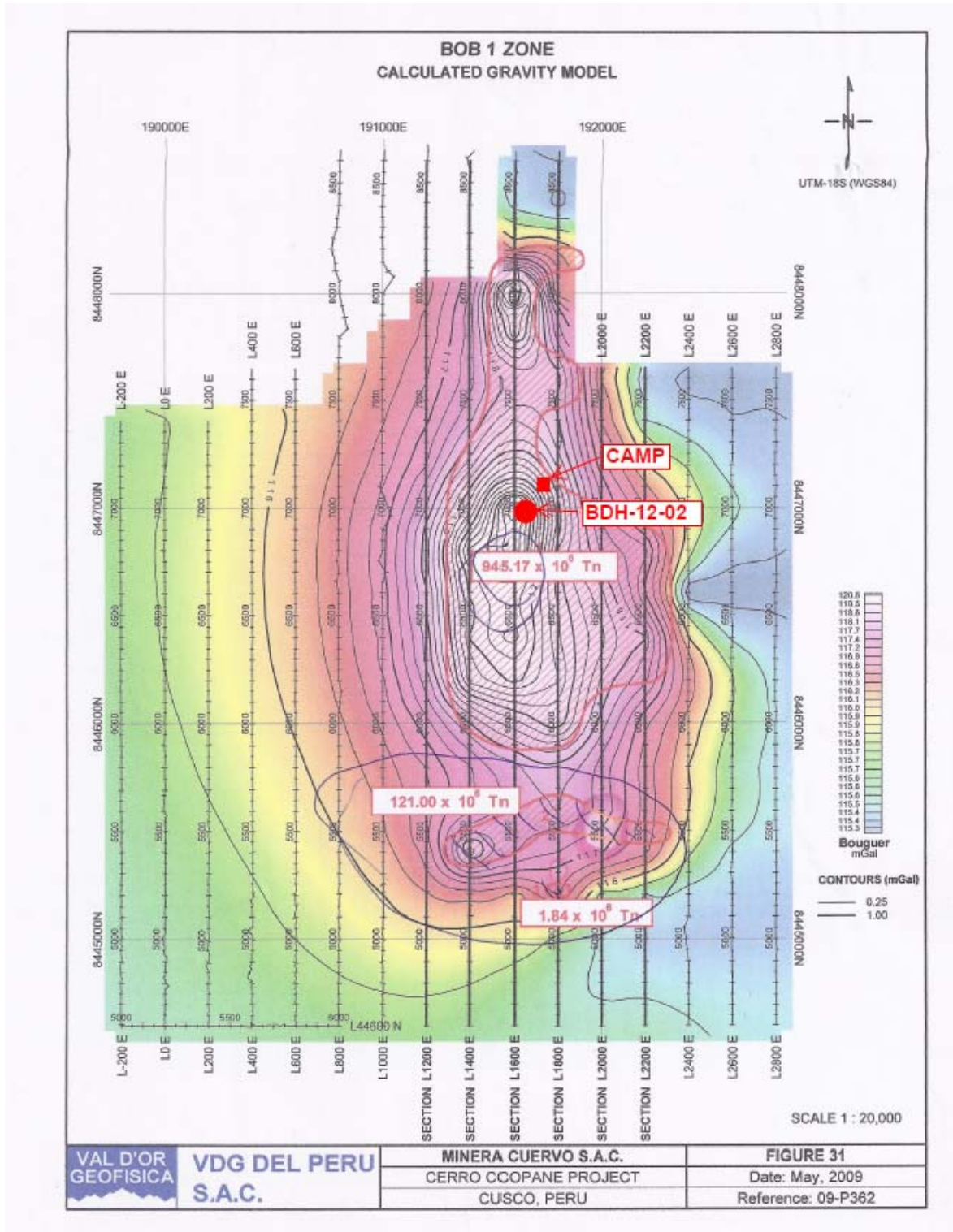
Funding of the drilling program on the Bob 1 zone has been provided by Strike Resources as part of a staged exploration program by Cuervo at its Cerro Ccopane project. Strike has advanced Cuervo CAD\$5.25 million for the current (Stage 1) program and in return holds warrants which can be converted to 32.5% of Cuervo's shares on an undiluted basis. Strike has the option to fund the Stage 2 program of CAD\$9.75 million under warrants which can be converted to a further 16.7% of Cuervo's shares.

The Cerro Ccopane project lies within 20 kilometres of Apurimac Ferrum's Santo Tomas (Cusco) iron ore project (refer *Figure 3*, below). Cuervo and Strike believe that a cooperative exploration effort between them will be strategic to the development of Perú's large-scale iron ore potential.

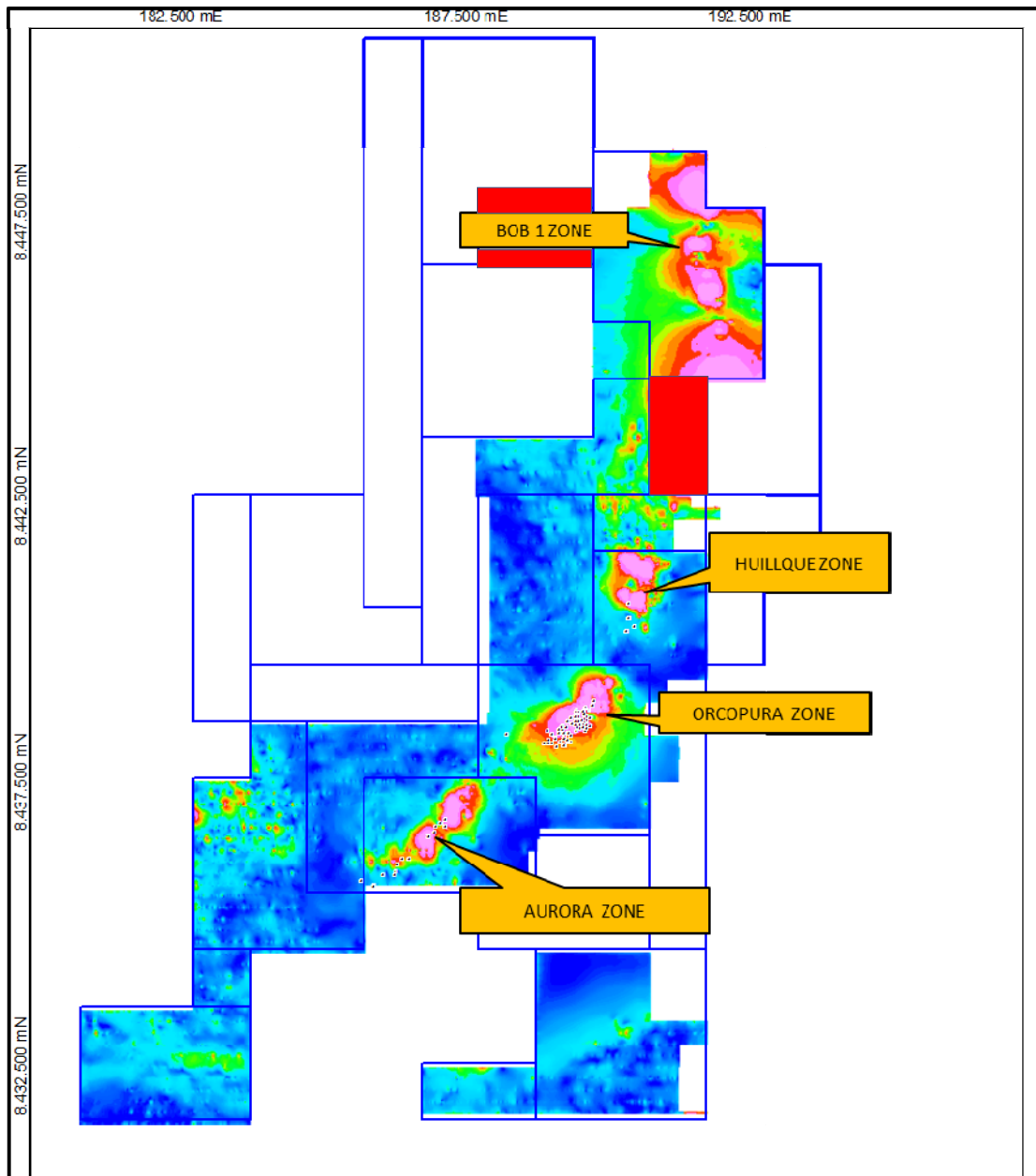
## JORC Code Competent Person Statement


*The information in this document that relates to exploration results and mineral resources has been compiled by Mr Ken Hellsten, B.Sc. (Geology), who is an employee of Strike Resources Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hellsten has sufficient experience 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 Hellsten consents to the inclusion in this document of the matters based on this information in the form and context in which it appears.*

Figure 1 – Bob 1 Geophysics and Drill Hole Location Plan



**Figure 2 - Magnetic Survey on Cuervo's Cerro Ccopane Project**

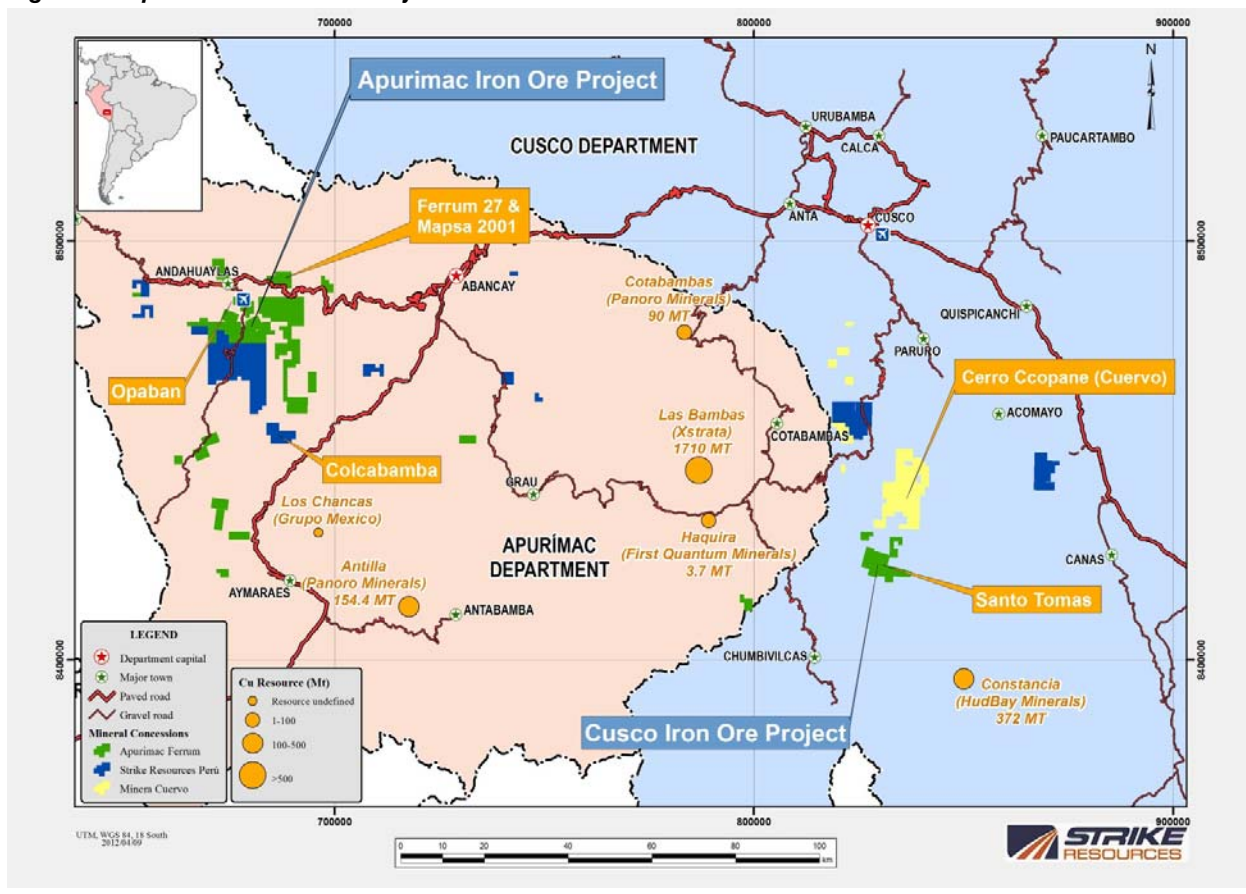


 Concession not held by Cuervo.

**Table 1 - Global Resources for Cerro Ccopane Project**

Prospect	Classification	Tonnes (Mt)	Head Fe (%)	Cut-off Fe (%)
Orcopura	Measured	19.7	48.26	20
	Indicated	35.9	45.91	20
	<i>(Measured plus Indicated)</i>	55.6	46.75	20
Orcopura	Inferred	51	43.7	20
<i>or</i>				
Prospect	Classification	Tonnes (Mt)	Head Fe (%)	Cut-off Fe (%)
Orcopura	Inferred*	46	45.8	30
Huillque and Aurora	Inferred	72	52.6	30
<b>Total</b>	<b>Inferred</b>	<b>118</b>	<b>50.4</b>	<b>30</b>

\* Showing the inferred resource at Orcopura (previously modelled using a 20 % lower cut) now using a 30% lower cut, to enable a comparison between that resource and the inferred resource now defined at Huillque and the Aurora prospects.

**Figure 3 – Apurimac and Cusco Project Concessions**

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