1 May 2014

STRIKE WINS MILLENIUM ARBITRATION CASE IN PERU

Summary

Strike Resources Limited (ASX: SRK, "Strike" or "the Company") is pleased to announce that a long running legal dispute with Peruvian companies Millenium Trading S.A.C. ("Millenium") and Minera Apu ("Apu") has been resolved, with an award issued by the appointed arbitrator in favour of Strike subsidiary Apurimac Ferrum S.A. (now S.A.C., "AF"), on all accounts and completely rejecting all of Millenium and Apu's arguments.

"This is an excellent outcome for the Company. Whilst we always believed the Millenium claims were spurious and without merit, the case has cast a shadow over AF for the last several years. The award highlights the ultimate strength and justice of the Peruvian arbitration system, even though the length of the arbitration took much longer than we would have liked. I am highly confident that all other claims made by Apu and related parties will also eventually be lifted or dismissed, as was the case with a court injunction recently initiated by Apu but summarily dismissed following swift action from Strike's Peruvian lawyers." William Johnson, Managing Director.

Arbitration

The arbitration relates to the agreement dated 6th September 2006 executed by and between AF, Strike Resources Limited ("Strike"), Minera Los Andes y el Pacifico S.A. ("MAPSA") and Millenium (the "Agreement") and the related public deed for the Termination of Exclusive Option over Mining Concessions, Suspension of Services Contract and Obligation to Cancel Mortgages executed by the same parties on 12th September 2006 ("Termination and Suspension Agreement").

The Agreement established that AF and Millenium, or Millenium's appointee, would negotiate in good faith an agreement for Millenium or its appointee to carry out mining operation activities in one of AF's concessions for a maximum quantity of 400,000 tons per annum over a maximum term of ten years. The Agreement also established that if an agreement could not be reached during the good faith negotiations over a term of 3 months, on the concession where the mining operation activities or any other term for that mining operation to occur, any party could take the matter to arbitration and request that the arbitrator established said concession or terms.

Despite the good faith negotiations taking place in 2006 and later with Millenium and its appointee Apu, Millenium and Apu sent some isolated letters over the years arguing that the Agreement and Termination and Suspension Agreement should be terminated (which meant the option and mortgages granted to Millenium should be reinstated) due to a claimed breach by AF and/or that the agreements were void (their positions varied several times). This went on sporadically until in late 2010 there were clear indications that Millenium intended to file a lawsuit against AF (which they did at the Judiciary, after AF had filed the request for arbitration, which entitled AF to argue that the claims filed by Millenium at the Judiciary were already being discussed in arbitration).

In that context, AF filed a request to initiate arbitration in October 2010 and, thereafter, an arbitration lawsuit on August 11 2011 at the Lima Chamber of Commerce. The claims made by AF were requests for the arbitrator to:

1. Declare that the Agreement and the Termination and Suspension Agreement are valid and effective.

2. Declare that the Agreement and the Termination and Suspension Agreement have not been breached by AF.

3. Declare that the Agreement and the Termination and Suspension Agreement remain in full force.

4. Establish the clauses for the mining operation agreement including the concession and economic terms (royalty and profit sharing in favour of AF).

5. Order that Millenium and Apu pay for all arbitration costs and legal expenses by AF.

The arbitration prolonged for almost three and a half years as Millenium/Apu repeatedly opposed and questioned the neutrality of every arbitrator (six at least, including the final one that has issued the award) appointed by the Lima Chamber of Commerce and did everything they could to delay the proceedings. This went on until Dr. Enrique Palacios Pareja was selected and did not step down as a consequence of Millenium / Apu's continued and groundless objections.

The award issued by the arbitrator Dr. Pareja on 24th April 2014, resolves in favour of AF on all accounts and rejects Millenium / Apu's arguments.

In connection with point 4 above, the award determines that Millenium's mining operation shall take place in the Sillaccassa 1 and Sillaccassa 2 mining concessions (one of the four options provided by AF). These concessions are located approximately 20km west of AF's main Opaban concessions and, as such, any mining activity which may eventually be undertaken by Millenium will not adversely impact the operations on AF's main projects.

The arbitrator has ordered that an expert from the Peruvian College of Engineers ("PCE") determine the economic terms of the mining arrangement between Millenium and AF, which will include a royalty and/or profit sharing to AF. As prescribed by the Agreement, the economic terms should be similar to those in the original Services Contract between MAPSA and Millenium. The report made by the expert selected by the PCE shall be deemed incorporated to the award (which has the force of a Judge's resolution).

In relation to point 5 above, the arbitrator has ordered that Millenium bears 60%, Apu 20% and AF 20% of the costs. The same split shall apply to the fees charged by the expert to be appointed by the PCE.

Other Legal Claims by Apu

Apu – directly and indirectly, through its legal representative, Mr. Carlos Navarro – has also initiated and is pursuing thirty-eight (38) legal actions (all of a similar nature) attempting to question the validity of concessions held by AF and third parties, thirty-seven (37) of which are outstanding at the Peruvian Judiciary since a final judgement has not been issued in those cases. The basis of the claims is the rejection of mineral claims (petitorios) made by Apu and Mr. Navarro that totally overlapped existing concessions held by AF and third parties that legally have priority over the areas they cover. Such overlapping mineral claims were rejected in all instances with the administrative authorities (INGEMMET and the Mining Council) in a manner that is totally compliant with Peruvian mining law. Nevertheless, Apu and Mr. Navarro are using such rejections to file lawsuits with the Judiciary in which they allege that the pre-existing mining concessions cannot be located due to a technical error when adapting the geographical coordinates into the current system of UTM coordinates. Even if such technical error existed, which is not the case, several statutes of limitations to oppose the granting of the pre-existing concessions expired long before any questioning was raised by Apu and Mr. Navarro. In that line, AF has obtained favourable resolutions in the first instance in seven (7) cases, while Apu and Mr. Navarro have not won a single case. One (1) of those seven (7) cases has a final judgment on procedural grounds. The plaintiffs have appealed the other six (6) and they are under review at the Superior Court.

-ENDS

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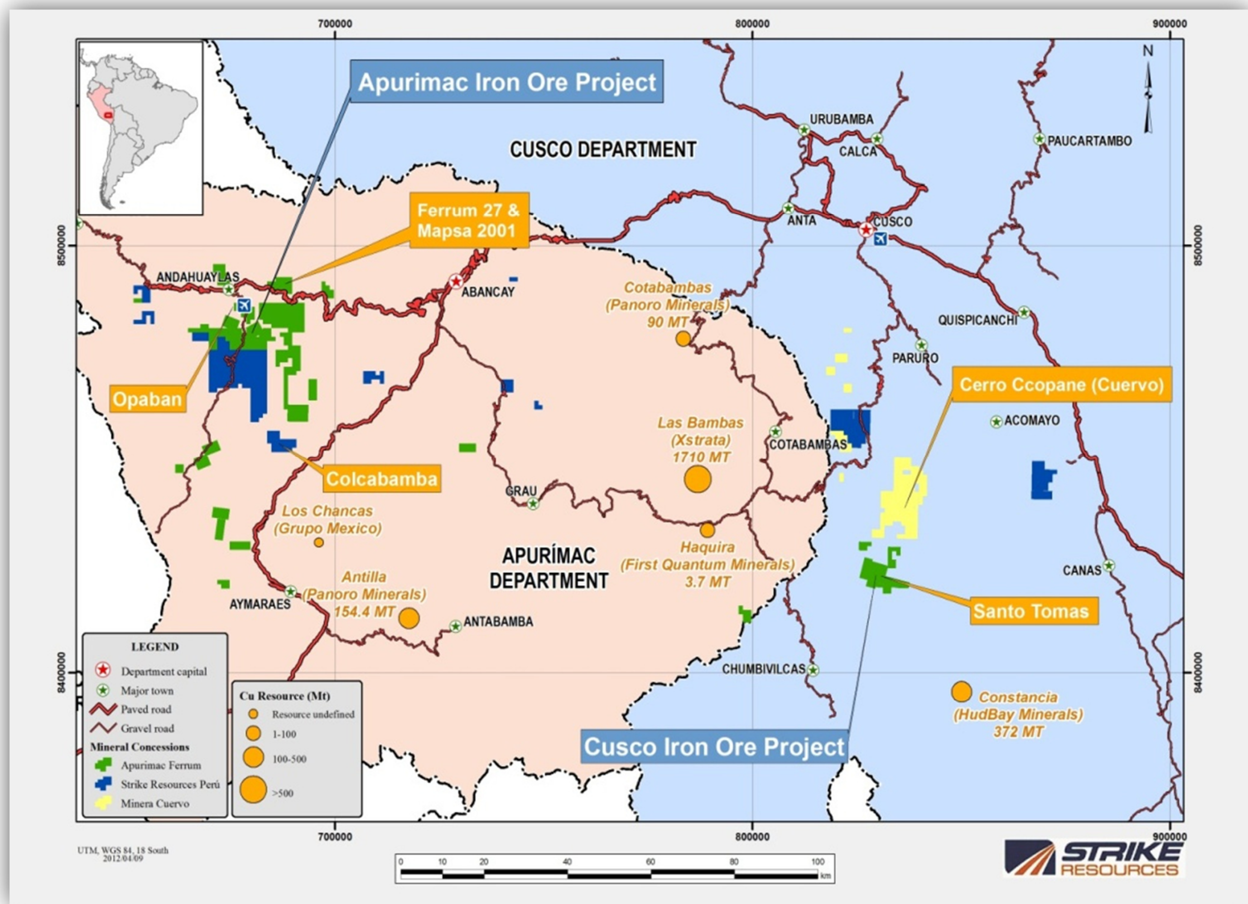
About Strike Resources



Strike Resources is an ASX listed iron ore project developer, owner of the high grade Apurimac magnetite project in Peru.

Apurimac is 100% owned by Strike and has the potential to support the establishment of a significant iron ore operation, based on some of the highest magnetite grades in the world.

Alongside Apurimac, Strike holds the Cusco Iron Ore Project, and an interest in the Cerro Ccopane project, both of which are also magnetite projects in Peru.

Strike retains significant cash reserves and is presently reviewing alternative options with regard to utilisation of these funds.