

## Strike seeks extension

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**STRIKE Resources will walk away from the Kalimantan coal project in Indonesia if its due diligence period on the project is not extended, following the detection of higher-than-expected moisture content in coal samples from the project.**

Strike has requested that the project's concession holders extend the company's due diligence period, originally set to expire on July 15, to November 30.

While Strike has received a verbal agreement to the extension, the company has yet to receive written confirmation.

The request for an extension came on the back of analysis of coal samples from the project, which found higher levels of moisture than had been expected.

"This total moisture content affects the marketability, stockpiling and handling of such coal and can have a significant impact on the bottom line mine profitability," Strike managing director Shanker Madan said.

Madan said resolution over the extension was important given the significance of its other projects, the amount of management time and capital involved in advancing the coal project, and "the quantum of payments required to be made ... (if due diligence is confirmed) amounting to approximately \$1 million in cash and shares which can otherwise be applied towards other mining projects".

Strike is in the process of acquiring two iron ore projects in Peru and advancing uranium interests in the Northern Territory and Western Australia.

Moisture issues aside, Madan said Strike review of the project had confirmed the potential for a resource in line with previous deposit size and calorific value estimations.

Strike shares were down 4c at 75c in midday trade.



Coal conveyor

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