

## Strike keeps eye firmly on Peru

Wednesday, 7 February 2007

**PERTH-based iron ore and uranium explorer Strike Resources has announced that it has entered into an agreement to acquire a controlling interest in a further 24.5% in its Peruvian iron ore projects, Apurimac and Cuzco, from one of its Peruvian partners, Minera los Andes yel Pacmfico S.A.**

The consideration is for staged payments totalling \$US10 million (\$A12.8 million) being a combination of cash and, if elected, Strike shares over two years and a further \$10 million when production and sales from these projects first exceed 20 million tonnes per annum.



In July last year, Strike secured the right to earn a 51% or greater interest in the Apurimac project or the Cuzco project or both through a progressive \$6.5 million investment in Peruvian company Apurimac Ferrum S.A. (which holds title to the projects) and the exercise of options to acquire Apurimac Ferrum shares from D&C Pesca S.A.C. and Minera los Andes yel Pacmfico S.A. at a total cost of \$34.5 million, within a five-year period.

Earlier this month, Strike entered into an agreement with Minera los Andes yel Pacmfico and its shareholders whereby Strike will acquire a 70% shareholding in a new Peruvian-based company, HoldCo.

All the shares in Apurimac Ferrum currently held by Minera los Andes yel Pacmfico and not subject to Strike's option under the agreement with Apurimac Ferrum will be transferred into HoldCo.

After its obligations under the agreements with Apurimac Ferrum and Minera los Andes yel Pacmfico have been completed, Strike will hold a 51% shareholding in Apurimac Ferrum, and a controlling 70% stake in a further 24.5% shareholding interest in Apurimac Ferrum held by HoldCo.

The acquisition will see its economic interest in Peruvian company Apurimac Ferrum increase from 51% to 68.15%.

Its position as a 70% controlling shareholder in HoldCo, which will hold a 24.5% stake in Apurimac Ferrum, means it will effectively control a minimum of 75.5% of the issued capital of Apurimac Ferrum.

Strike last year raised \$A7.4 million through the issue of new shares to "accelerate investment commitments" at its Peruvian iron ore projects.

Shares in Strike were up 7c at \$2.68 in afternoon trading.

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