

 **THE AUSTRALIAN**

March 17, 2008 12:18am AEDT

Iron ore junior finds it's two Strikes and you're in

Kevin Andrusiak | March 17, 2008

ANOTHER Perth-based mining junior is about to make it big on the world iron ore stage.

Strike Resources has revealed that it has been negotiating to sell part or all of its Peruvian assets.

After being queried by the Australian Securities Exchange as to why its share price jumped more than 50 per cent in the space of two weeks, Strike admitted to having discussions with unnamed parties that could lead to selling its Apurimac and Cuzco projects.

According to Strike, the discussions about the potential sale had been continuing for "several months", but could not be released to the market because they were confidential.

"The size of such a transaction is significant and, if finalised, would value the company's interests in these iron ore projects at an amount substantially greater than the company's fully diluted market capitalisation of \$254 million," Strike told the exchange.

Strike is in discussions also with various Chinese and Japanese steel mills about offtake from the two projects in the southern Andes, where Strike is aiming to mine up to 40 million tonnes a year.

The Apurimac project has an estimated resource of 730 million tonnes of high-grade hematite and magnetite iron ore, with grades up to 66 per cent iron and up to 5 per cent silica.

The resource at Cuzco is about 500 million tonnes of mostly magnetite ore, with grades up to 64 per cent, which makes it a rare find on the global resources stage.

Strike warned also that there was no certainty either transaction would be finalised.

Copyright 2008 News Limited. All times AEDT (GMT +11).