

Striker Makes Advance Sale of Merlin Rough Diamonds

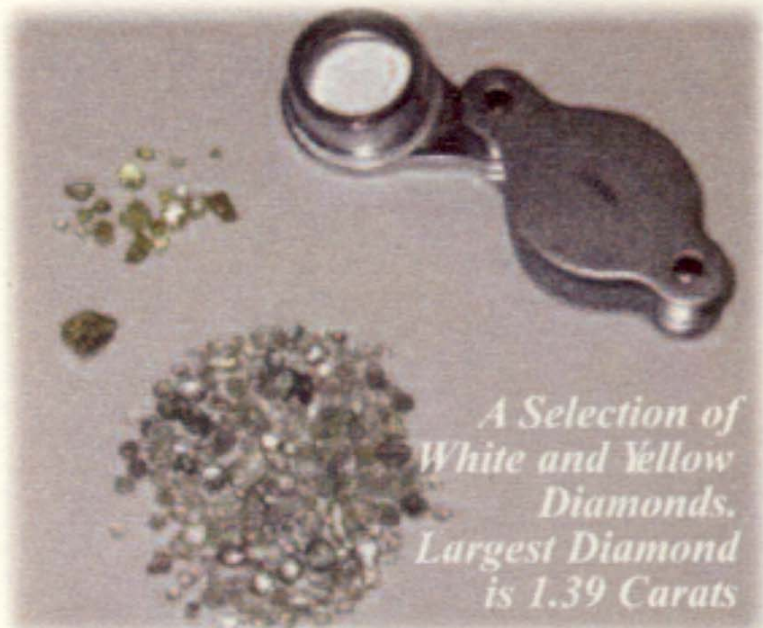
The Board of **Striker Resources NL** has reached agreement in principle with **Knightsbridge Corporate** for the advance sale of US\$0.38 million of rough diamonds from the recently-commenced **Merlin** diamond operations in the Northern Territory of **Australia**. Striker has also placed US\$0.47 million of new equity to professional investors and institutions. The funds are to be used for working capital as current operations are expanded by the relocation of the 400,000 tons per annum plant from the **Kimberleys** to **Merlin**, and the trialing of hard rock high pressure grinding roles crushing capacity.

The purchase from Knightsbridge will be at a 16 percent discount to an independently assessed value, and delivery will be made when sufficient suitable stones become available. Knightsbridge have the further right to purchase any single diamond with an independently assessed value greater than US\$437,000 at a similar discount.

Striker expects to produce a minimum of 250,000 carats from Merlin over the next two years.

The **Merlin** diamond field currently has a combined indicated and inferred resource of 3.3 million carats of diamonds. The average historical value of previous Merlin production has been US\$108 per carat. However rough diamond prices investments since then indicate a price of US\$140 per carat.

“The company is pleased with the expression of confidence in Merlin production shown by Knightsbridge and by shareholders in the proposed expansion of current operations,” says **Tom Reddicliffe**, Chief Executive Officer of Striker.



*A Selection of
White and Yellow
Diamonds.
Largest Diamond
is 1.39 Carats*