

Strike Minerals Inc. Secures Edwards Mine Project Financing With Waterton Global Value

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TORONTO, ONTARIO -- ([Marketwire](#) - Nov. 3, 2011) - [Strike Minerals Inc.](#) (TSX VENTURE: STK) ("Strike" or the "Company"), announces today that it has signed certain term sheets pursuant to which Waterton Global Value, L.P. ("Waterton") will provide the Company with up to \$3,850,000 of financing consisting of \$3,500,000 of Gold Stream Debt Financing (the "Gold Stream Debt Financing") and \$350,000 of Equity Financing (the "Equity Financing", and together with the Gold Stream Debt Financing, the ("Financing"). In connection with the Gold Stream Debt Financing, Waterton will provide the Company with a \$350,000 bridge loan (the "Bridge Loan").

The principal amount of the Gold Stream Debt Financing will be provided in three tranches of \$1,500,000, \$1,000,000 and \$1,000,000 and will be secured by all of the assets of the Company, including the assets comprising the Edwards Mine Project. If all three tranches of the Gold Stream Debt Financing are drawn, repayment of such financing will occur by the Company making 12 monthly payments to Waterton commencing on the last business day of December 2012, and ending on the last business day of November 2013. Each monthly repayment will be made, at the option of Waterton, by the Company delivering to Waterton either gold bullion ounces or certain fixed cash amounts. If the Company makes any monthly payment by delivering gold bullion ounces to Waterton, the number of ounces so delivered shall be calculated based on a deemed gold price that is, effectively, equal to 80% of the then prevailing spot price of gold. Any outstanding principal amount of the Gold Stream Debt Financing shall accrue interest at a rate of 7.00% per annum.

In connection with the Gold Stream Debt Financing, Waterton will advance the Company a \$350,000 Bridge Loan that accrues interest at a rate of 7.00% per annum and is secured by the Company's direct 87.5% interest in the Edwards Mine Project. The principal amount of the Bridge Loan shall be repaid by the Company on the date that is the earlier of: (i) six (6) months after the initial execution date of the Bridge Loan agreement, or (ii) the date on which the Company and Waterton enter into the Gold Stream Debt Financing. In connection with the Bridge Loan, the Company will provide Waterton with 1,000,000 bonus shares. The Company will also pay Waterton a 2% structuring fee relating to each of the Gold Stream Debt Financing and the Bridge Loan.

In addition to the Gold Stream Debt Financing, Waterton also intends to provide the Company with \$350,000 of Equity Financing, the terms and conditions of which shall be similar to the Company's recently announced equity offering.

The Company will use the proceeds of the Financing for the development and initial production from the Edwards Mine Project.

The Company has separately entered into a mine gold and silver supply agreement with Waterton, pursuant to which the Company will sell gold and silver produced at the Edwards Mine Project to Waterton based on certain agreed terms and conditions.

The Financing is expected to close on or before November 30, 2011 subject to definitive documentation, Board and regulatory approval of the TSX Venture Exchange and customary closing conditions.

Mike Newbury President & CEO, comments, "Strike appreciates Waterton's practical approach, confidence and support to provide the \$3,850,000 financing that is expected to be adequate funds to complete dewatering, conduct underground exploration and commence initial production at the Edwards Mine site. Financing through debt is less dilutive than equity and this financing, in conjunction with our recent equity financings will see us into production in 2012. The dewatering has allowed us to examine the 40 metre level and we have located and are sampling mineralized zones that were developed but not mined by the previous operators. We have also started dewatering the 60m level."

Cheryl Brandon, Portfolio Manager at Waterton Global, stated, "Waterton is pleased to be able to partner with Strike Minerals. We look forward to building a strong relationship with the management team and further developing the Edwards Mine into production. As a fully-permitted near-term gold producer, the company is well-positioned to benefit from strong commodities markets".

About Strike

Strike Minerals is a TSX-V listed company that is engaged in the exploration and development of precious metal properties in Canada. Its primary property is the former producing Edwards Gold Mine in the Goudreau – Lochalsh Gold Camp near Wawa, Ontario. Historic production in the camp between 1930 and 2001 is estimated at 500,000 ounces of gold. Between 1996 and 2001 underground development at the Edwards Mine was completed through a decline to a depth of approximately 290 m resulting in 145,000 oz Au being mined from the Edwards Property.

Subsequent drilling on the Property has delineated an additional five zones that have significant gold mineralization. Strike has commenced dewatering of the underground workings in order to provide access to enable underground drilling and bulk sampling of these new zones. The dewatering will also enable Strike to evaluate old stopes and high grade mineralization that was not mined when the mine was closed in 2001 due to low gold prices.

Strike also has a large land position in the Hemlo West area near Schreiber, Ontario. This Property has a number of historic producers that produced small tonnages of very high grade gold mineralization, averaging approximately 18-25 g/t Au, between 1935 and 1937, generally associated with shear zones in the region. These shear systems have seen very little modern exploration and drill testing at or near a prominent syenite volcanic contact is considered highly prospective for the discovery of additional gold mineralization. Strike will conduct an initial program of surface geological and alteration mapping on the Property with a goal of increasing the understanding of the geologic and structural relationships in preparation for drill testing to assess the extent and value of the mineralization.

Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Strike., including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates and that the resource potential will be achieved on exploration projects, currency fluctuations, dependence upon regulatory approvals, and the uncertainty of obtaining additional financing and exploration risk. There is no assurance that the company's exploration projects will add to Strike's resource base in the short-term, or at all. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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