



Quarterly Activities Report

For the period ended
31 March 2011



Highlights

Operational

- Tritton produced 6,549 tonnes of copper in the March quarter, an increase of 15.9% on the previous quarter. Cash costs decreased to US\$2.08/lb (from US\$2.13/lb). For financial reporting purposes only production in February and March 2011 will be taken into consideration ie post the de-merger.
- Mt Muro in Indonesia restarted processing operations in late February, going on to produce 2,006 ounces of gold in the quarter. This is consistent with the development schedule of the Serujan open pit.

Exploration

- Mt Muro – significant increase in resources of 657k gold equivalent ounces announced and further positive drill results below historically mined pits. Post quarter end reserves upgraded by 379k gold equivalent ounces.
- Torrens project – Straits have lodged an appeal with the Supreme Court.

- Tritton - current programme of reserve definition drilling on target for completion this financial year. Results continue to confirm the resource model at depth.

Corporate

- The de-merger of the Groups' metal and coal interests was implemented during the quarter with Straits shareholders being issued with one share in "Straits Metals-SRQ" for every share held in SRL. SRQ was subsequently renamed Straits Resources Ltd.
- Subsequent to the de-merger PTTML acquired all of the issued shares in Straits (re-named International Coal Holdings – ICL) for A\$1.72 cash per Straits share.
- At the end of March 2011, Straits had cash and investments of A\$78 million (plus approximately A\$19 million in receivable cash from the ICL transaction).
- Hillgrove antimony/gold mine - discussions continue with interested parties in a rising antimony and gold market.

About Straits:

Straits Resources Ltd (ASX Code: SRQ) is a mining and exploration company focused on copper and gold in Australia and Asia.

Straits owns and operates the Tritton copper mine in NSW and the Mt Muro gold mine in Indonesia and has an exciting exploration portfolio focussing on projects in NSW (through Goldminco) and South Australia. Straits also owns Magontec, a European based specialty metals business.

Straits Resources Limited

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Shares on issue:
Quoted: 324,355,749



For the period ended 31 March 2011

Production Summary

		Mar 11 Qtr (Q3 FY 2011)	Dec 10 Qtr (Q2 FY 2011)	Sep 10 Qtr (Q1 FY 2011)	FY 2011	FY 2010
Tritton Copper Mine, NSW						
Copper produced (100%)	tonnes	6,549	5,651	5,272	17,472	20,847
Copper sold (100%)	tonnes	7,488	2,474	5,091	15,053	21,057
Cash cost (excludes TC/RC)	US\$/b	2.08	2.13	1.73	1.99	1.64

Mt Muro Gold Mine, Indonesia*

Production	Au oz	2,006	5,181	10,563	17,750	45,521
	Au oz	46,559	6,754	17,890	71,203	143,496
Sales	Au oz	1,157	7,555	10,834	19,546	43,754
	Au oz	23,149	9,902	13,825	46,876	143,104
Cash costs	Au oz	1,107	2,437	1,507	1,733	1,196

*Mt Muro results for Q3 include March 2011 only as the operation restarted after capital investment.

Group Revenue*

		Mar 11 Qtr (Q3 FY 2011)	FY 2011
Sales Revenue (excludes Magontec)	A\$'000	46,593	46,593
Magontec	A\$'000	16,524	16,524

*Includes two months of revenue attributable to Straits Resources Limited as the demerged group.



Operations

Tritton Copper Mine, New South Wales

Straits - 100%

QUARTERLY PRODUCTION STATISTICS – TRITTON

	Units	Mar11 Qtr	Dec10 Qtr	Sept10 Qtr	FY 2011	FY 2010
Mined	tonnes	323,371	282,612	254,030	860,013	911,539
Grade	% Cu	2.12%	2.05%	2.13%	2.10%	2.35%
Milled	tonnes	311,747	288,149	250,594	850,490	906,347
Grade	% Cu	2.15%	2.02%	2.17%	2.11%	2.37%
Recovery	%	95.59%	94.51%	94.44%	94.88%	94.23%
Cu Concentrate	tonnes	25,845	22,503	20,915	69,263	81,183
Cu Grade	%	25%	24%	25%	25%	25%
Cu in concentrate	tonnes	6,392	5,509	5,142	17,043	20,226
Cu Cement	tonnes	157	142	129	429	621
Total Cu Produced	tonnes	6,549	5,651	5,272	17,472	20,847

Production from Tritton Mines in the March quarter totalled 6,549 tonnes of copper – with 6,392 tonnes of contained copper in concentrate and 157 tonnes in copper cement. This production represented an increase of 16% from the previous quarter and the fourth consecutive quarter of increased production. The March quarter delivered production at an annual equivalent rate in excess of 26,000 tpa copper.

Mining

Mining continued at a high rate during the quarter, with the change to the new “bottom up” mining method at Tritton mine now complete. The Pastefill Plant is now fully operational.

The transition to owner operator continued during the quarter with the upgraded production fleet entering production and key personnel recruitment occurring.

Processing

The Processing Plant continued to perform well during the period with mill recovery remaining high at 95.6%. The Plant continues to focus on de-bottlenecking and recovery enhancement projects.

Costs

Site cash costs (excluding TC/RC's) for the quarter were \$US2.08 per pound, a 2% decrease on the previous quarter.

Mt Muro Gold Mine, Indonesia

Straits - Contract of Work 100%

QUARTERLY PRODUCTION STATISTICS - MT MURO

	Units	Mar 11*	Dec 10 Qtr	Sept 10 Qtr	FY 2011	FY 2010
Ore Milled	tonnes	35,520	38,160	126,470	200,150	615,544
Grade – Gold	g/t Au	2.5	3.7	2.9	3.0	2.6
– Silver	g/t Ag	71.9	5.8	6	18.0	12
Recovery – Gold	% Au	96.0%	90.2%	90.3%	91.3%	89.7%
– Silver	% Ag	81.5%	72.3%	67.1%	70.6%	58.9%
Production (Gold)**	oz Au	2,006	5,181	10,563	17,750	45,521
(Silver)	oz Ag	46,559	6,754	17,890	71,203	143,496
Gold Sold	oz Au	1,157	7,555	10,834	19,546	43,754

* Mt Muro results for Q3 include March 2011 only as the operation restarted after capital investment.

** Production reported is gold poured.



Mt Muro restarted processing operations in late February, going on to produce 2,006 oz Au and 46,559 oz Ag.

This production is in line with the scheduled recapitalisation program and major development of the Serujan open pit. Mine development capital remains focused on the cut back at the Serujan open pit.

March operating costs were at US\$1,107 per ounce gold equivalent. Focus continues on maintaining tight cost control as the Serujan open pit continues to ramp up in production.

Mt Muro remains a resource with significant upside exploration potential. The recent resource and reserve upgrade (see exploration section) is extremely positive for Mt Muro and initial planning shows that it is expected that the reserves can support a production rate in excess of 100 k oz AuEq per annum.

Hillgrove Antimony/Gold Project, New South Wales

Production activities remain suspended at Hillgrove. Work continued on site to manage environmental and rehabilitation requirements (water treatment and stockpiles) and maintain operational equipment readiness.

Gold and antimony prices remain high.

Straits is continuing discussions with potential sales parties, investors and offtake parties. In this regard Straits

is currently working with Court Resources to explore the potential to list Hillgrove as an independent antimony producer.

Magontec

The automotive industry in Europe and especially in Germany is recovering very well and German car producers are announcing new records. Total alloy sales of the Magontec Group increased by 12,6% and anodes sales decreased by 3% compared to the previous quarter. The Chinese alloy market is running on a stable level while we expect a decreasing demand in the coming months for the Japanese market as consequence of the devastating earth quake and tsunami. While the China Xian plant is running on full capacity we see as well increasing recycling volumes in the German plant. A small opening ceremony for the new Magontec Suzhou Recycling plant with a capacity of 7 kt was held at the end of March and the production ramp up will take place over the next months. Pure magnesium prices are increasing and are now in a range of 18,000-18,400 RMB/t, ex works.

The European alloy market is running on a stable level and most of the 2011 volumes contracts are booked now with some remaining spot volumes. Because of the strong EUR it will be difficult to export more alloys from Europe to the US and thus we expect more direct scrap sales from Europe to North America.

Exploration

NEW SOUTH WALES

Tritton

Straits – 100%

An intensive diamond drill program continued at Tritton, testing the down dip continuation of the Tritton orebody. Five surface holes and one hole from underground were completed during the quarter.

- Drillholes TTDD014 (no significant result) and TTDD016W targeted the southern side of the orebody. TTDD016W intersected 3m of massive sulphides within the southern limb of the Tritton mineralisation.
- Drillholes TTDD018, 19 and 21 tested the thicker northern side of the deposit. TTDD021 intersected a broad zone of massive and banded pyrite + chalcopyrite mineralisation.

- TTDDUG001: this hole was drilled from underground on the 4555 level and was drilled at a low angle to the orebody due to limited access to development. The hole assisted in gaining an accurate position of the hanging wall contact with a true ore zone thickness intercept of 12m.

Drilling will continue into the last quarter of FY 2011, to prove up reserves, aiming for an 8 year minimum mine life for Tritton.

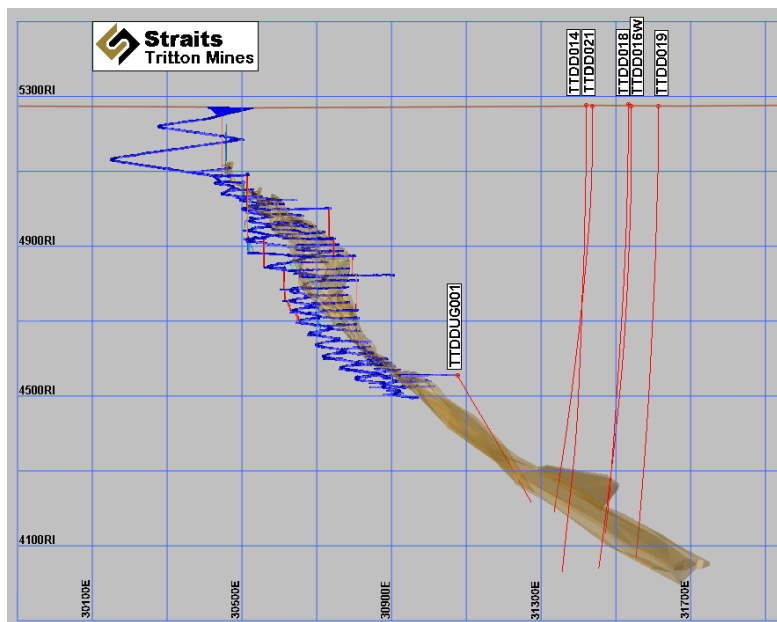


For the period ended 31 March 2011

Significant Results for Tritton Deeps Drilling

Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TTDD016W	474404.581	6526088.664	-90	0	1166	3	1.21	0.25	0.15	5
TTDD018	474371.162	6526258.047	-90	0	1096	7	1.26	0.12	0.09	3
TTDD019	474461.622	6526217.174	-90	0	1138	3	1.54	0.06	0.09	3
TTDD021	474263.849	6526328.59	-90	0	1007	26	1.87	0.18	0.06	4
					1037	3	1.1	0.52	0.06	3
					1048	11	3.71	0.32	0.1	7
TTDDUG001	473900.83	6526314.1	-44	127	331	32	2.11	1.98	0.69	25
					450	2	1.33	0.1	0.22	5

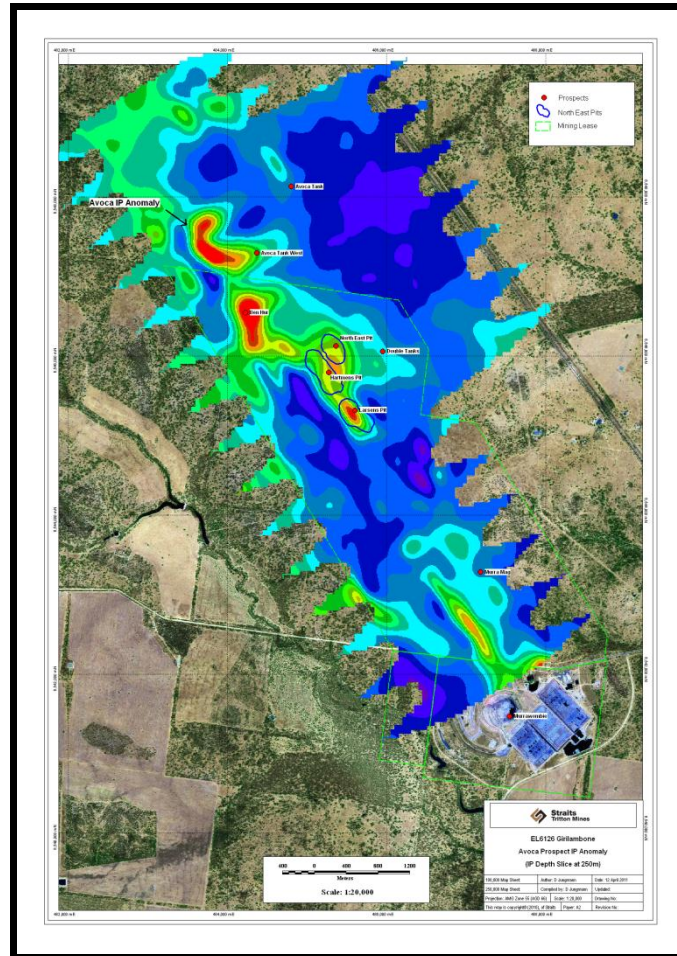
(1% Cut-off grade, max 3m internal dilution) Datum AGD66



Tritton x-section - showing Tritton Deeps in relation to the base of mine development

A large airborne magnetic survey has been flown over the southern half of the Tritton leases. The survey was conducted on closed spaced (50m) lines and at a low flight height (40m) covering 29,456 line km's. The resulting detailed magnetic imagery will assist with target generation on the leases.

An induced polarisation survey was completed at the Girilambone North and extended a previous survey to the east and north, covering the North East and Avoca Tank deposits. Resulting data has identified a strong IP anomaly with low resistivity north west of the Girilambone North pits. This target will be drill tested in the next quarter.



Hillgrove

Straits - 100%

Limited exploration activities undertaken during the quarter. No current plans to resume major exploration programmes until a clear plan for the Hillgrove Project is finalised.

Goldminco

Straits - 71% (TSX-V: GCP)

The drilling programme which commenced at the Temora project in December 2010 has been ongoing throughout the quarter, despite some further significant delays due to rain. Holes have been completed at Cullingerai South, Mandamah and Yiddah. Further encouraging results were achieved at Cullingerai as detailed in the Goldminco Exploration update released on 15 April 2011.

SOUTH AUSTRALIA

Straits is exploring for iron-oxide copper-gold (“IOCG”) systems at a number of projects in the highly prospective

Stuart Shelf region of South Australia, through joint venture arrangements and also in its own right.

Torrens EL4296

Straits – earning 70%

The Torrens Joint Venture (Torrens EL 4296) is between Argonaut Resources NL (ASX:ARE) and Straits Resources Limited (Straits earning a 70% interest).

The Torrens Project is located near the eastern margin of South Australia’s Gawler Craton region (Stuart Shelf), within 50 kilometres of Teck Cominco’s Carrapateena copper - gold discovery and 75 kilometres from BHP Billiton’s Olympic Dam mine.

In early July 2010 the Torrens Joint Venture announced that its application under Section 23 of the Aboriginal Heritage Act 1988 in South Australia in respect of the Torrens Project (EL4296) had been approved by the Minister for Aboriginal Affairs and Reconciliation. A judicial review of this decision was dismissed on 17 March 2011 in the Supreme Court of South Australia (Justice Sulan), ensuring that the original Section 23 authorisation stands.



On 17th January 2011 Argonaut Resources (ASX: ARE) announced that the Environment, Resource and Development Court of South Australia had determined that Mining (exploration) Operations may not be conducted, pursuant to s 63S(2)(a) of the Mining Act 1971 (SA) on EL4296.

The parties to the Torrens Joint Venture have now been granted leave to appeal the ERD Court determination in the full court of the Supreme Court pursuant to s30 of the *ERD Court Act 1993* (SA). A hearing date is yet to be set; the but is likely to be set for late July.

In addition, even though the Minister for Mineral Resources Development chose not to exercise his discretionary power to overrule the determination of the ERD Court in this case, he has indicated that he and his department will provide the necessary assistance for the parties to negotiate an agreement that, with the authorisation of the ERD Court, can displace the earlier existing determination of the ERD Court (Justice Tilmouth).

Stuart Shelf Joint Venture

Straits – earning 70%

The Stuart Shelf Joint Venture is between UXA Resources Limited (ASX:UXA) and Straits Resources Limited (Straits earning a 70% interest). The joint venture includes 9 tenements for a total of 3,300km².

Geophysical evaluation of the highest priority targets within the tenement package is now complete and heritage surveys are expected to be undertaken in the coming quarter in preparation for drilling activities.

Straits IOCG Exploration

Straits – 100%

Straits is also exploring in the Stuart Shelf and Mt Woods domains in its own right with two granted tenements and three further applications pegged. Desktop evaluations of these areas has commenced and will be ongoing in the June quarter.

QUEENSLAND

Yandan

Straits – 100%, Drummond Gold – earning 51%

Drummond Gold Limited (ASX: DGO) has an agreement with Straits to earn a 51% interest of the Yandan Project.

Rain has impacted drilling activities during the quarter, with a commencement date of mid-April now expected.

WESTERN AUSTRALIA

Maroochydore Project

Straits – 50% Clawback Right

The Maroochydore Project is located in the Paterson Province of Western Australia, southeast of the Nifty copper mine. The project is held 100% by Aditya Birla Minerals Ltd. Straits retains a 50% clawback right which is triggered on the acceptance of an economic feasibility study.

INDONESIA

Mt Muro (IMK)

Straits – 100%

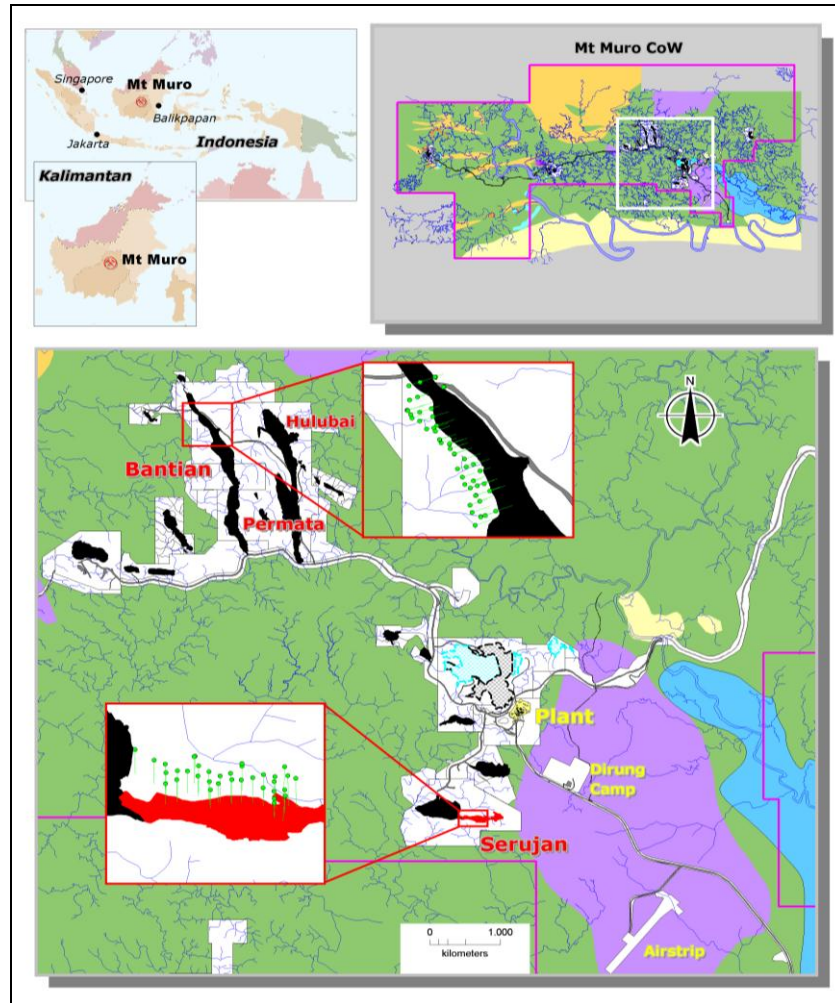
Mt Muro – On 16 March an ASX announcement stated an increase in Mt Muro's resource base of 657,000 gold equivalent ounces to 1.82M gold equivalent ounces (+56%) using a 45:1 silver:gold ratio. Additional resource updates are underway on Bantian and Serujan.

These new resources are close to existing mine infrastructure and potentially amenable to open pit mining.

In addition, these resources only include drill intersections to November 2010. Significant intersections since that time has been ongoing with drilling at Serujan and Bantian continuing to intersect mineralisation outside the resource envelope.

The cumulative strike length of the "fertile" vein systems is now at least 8km with numerous additional exploration targets outside the defined resources. Resources at Permata, Hulubai and Kerikil have now defined a substantial "project pipeline" within the Mt Muro volcanic complex.

A new reserve calculation at Mt Muro was announced for Mt Muro post quarter end with the total reserve base increasing by 379k oz gold equivalent to 629koz gold equivalent (+152%). New reserves have been calculated for the Serujan and Bantian areas both of which are close to existing mine infrastructure and amenable to open pit mining. Drilling continues throughout the project with further increases in reserves & resources expected as a result of continuing exploration activities, pit design work and an aggressive exploration programme over the next 12-18 months.



Mt. Muro Location Map

Corporate

Group re-structuring and sale of SRL coal assets

The de-merger of the Groups' metal and coal interests was implemented during the quarter with Straits shareholders being issued with one share in "Straits Metals-SRQ" for every share held in SRL. SRQ was subsequently renamed Straits Resources Ltd.

Subsequent to the de-merger PTMIL acquired all of the issued shares Straits (re-named International Coal Holdings –ICL) for A\$1.72 cash per Straits share.

Cash & Debt

At the end of March 2011, the Straits Group cash resources totalled A\$49 million (approx 42% held in US\$). Of this, approximately A\$23 million is restricted cash. In

addition approximately A\$19 million is due as a receivable to Straits from ICL from the recent sale of the coal assets.

Straits has investments of approximately A\$29 million in listed companies excluding Goldminco.

At the end of the March 2011 quarter, Straits debt comprised a trade finance facility of US\$30 million debt within Magontec, which is backed by receivables, and Tritton hire purchase for mining fleet A\$18 million.

Hedging

There are forward exchange hedges in place at 31 March 2011 totalling US\$82 million for settlement from April 2011 through to Oct 2011. Currency hedging is at an average US\$/A\$=0.9687. These FX forward were put in place to lock in the A\$ receipts forecast to be received from copper shipments over this period. Copper pricing has been fixed with the offtake partner for six shipments, 14,400t, between now and October 2011 at an average price of US\$8,996/t.



For the period ended 31 March 2011

By Order of the Board

Milan Jerkovic
Chief Executive
19 April 2011

For further information contact:

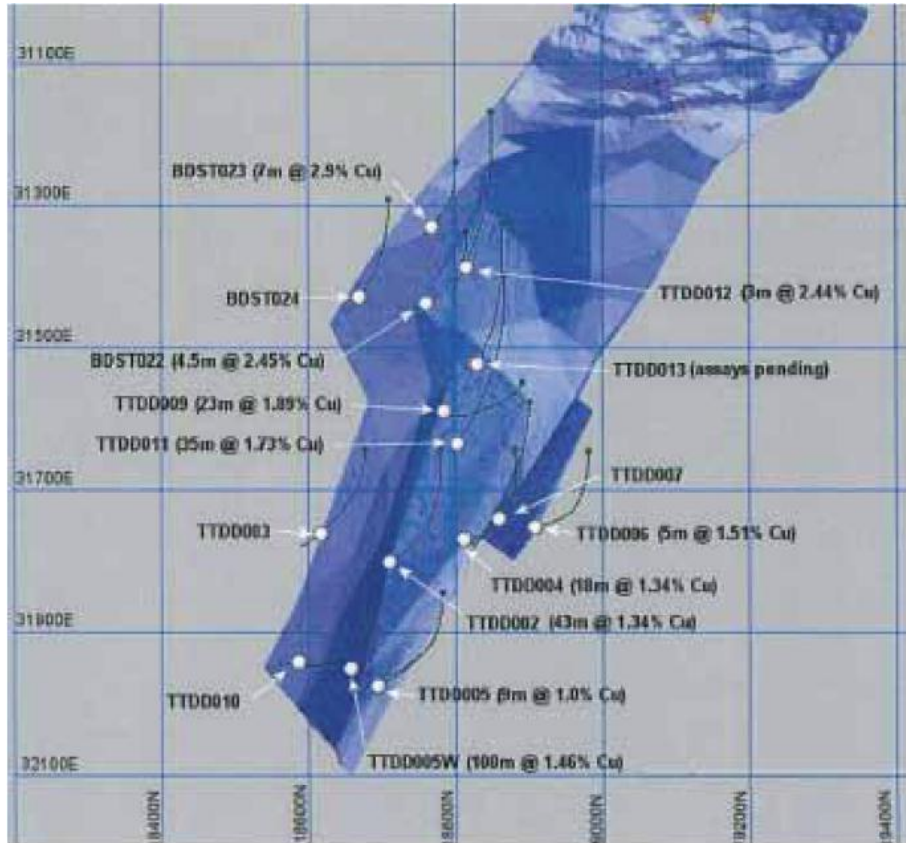
Mr Milan Jerkovic – Chief Executive Officer
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or go to our website at www.straits.com.au

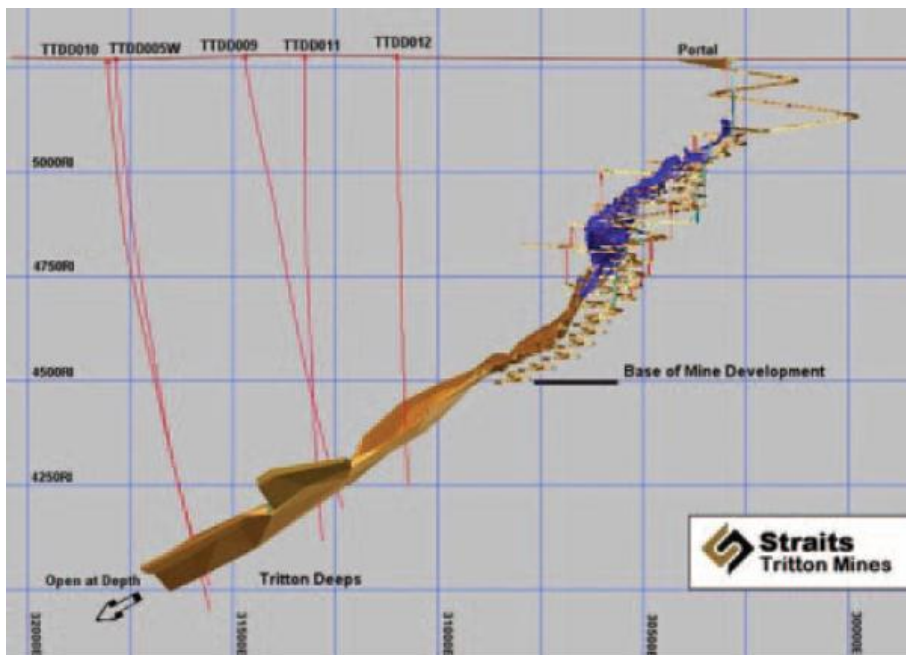
References in this report to “Straits Resources Limited”, “Straits” and “Company” include, where applicable, its subsidiaries.



Straits Tritton Mines



Tritton plan – showing recent Tritton drilling including location of TTDD013



Tritton x-section – showing Tritton Deeps in relation to the base of mine development