

**STRAITS RESOURCES LIMITED
(ASX: SRQ)**

Exploration and resource update of the Mt Muro epithermal gold and silver project

Straits Resources Limited (SRQ) is pleased to present the following exploration update on the 100% owned Mt Muro mine operated by Indo Muro Kencana (IMK) in central Kalimantan, Indonesia see Figure 1.

Key Points

- A JORC compliant resource upgrade of **157 Koz AuEq** on the Serujan and Bantian projects since the March 2011 ASX release.
- The total resource base has increased to **2 Moz AuEq** in all categories, including **1.4 Moz AuEq** in the Indicated category (Table 1).
- The total resource for the Serujan and Bantian projects now stands at **928 Koz AuEq** with drilling continuing with 5 drill rigs.

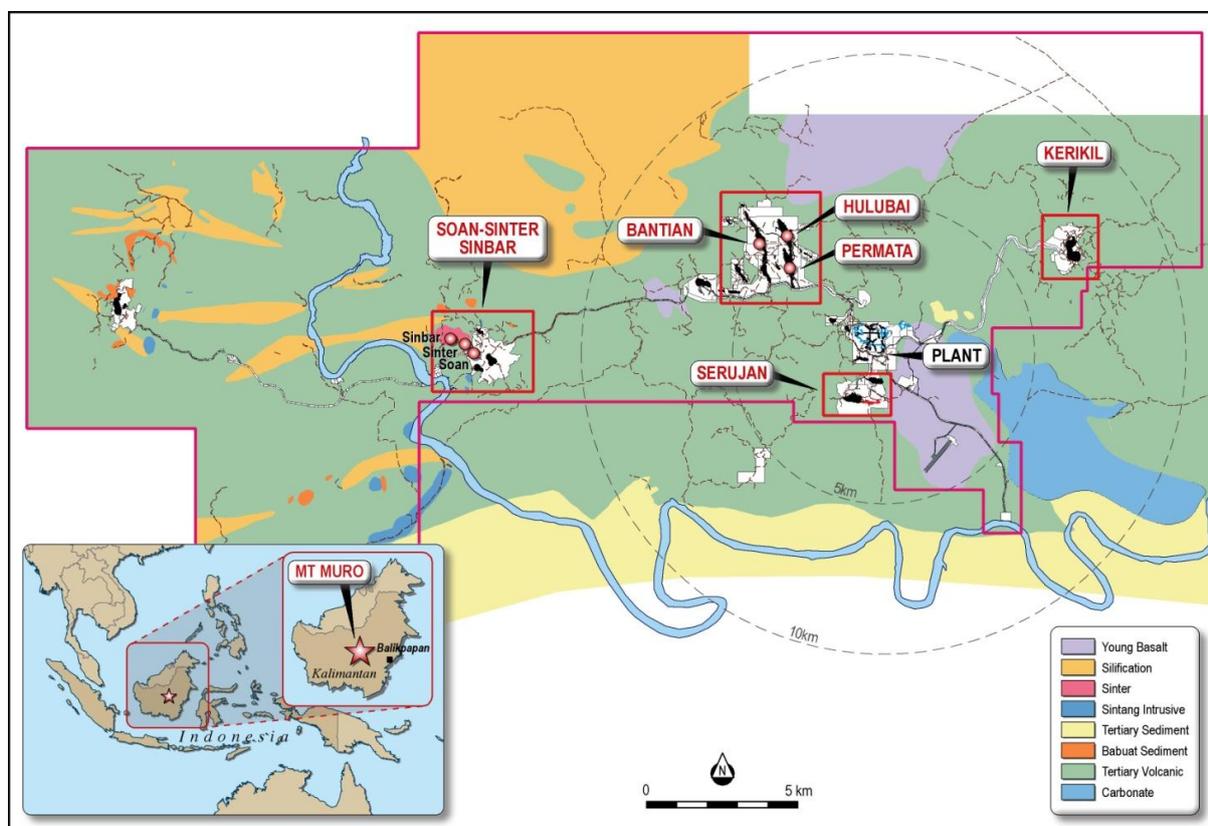


Figure 1. Mt Muro location map with project areas.

Table 1. Resource statement:

The resource statement is based on drilling up to 30th May 2011.

Indicated - as at 30 June 2011									
<i>Deposit/Project</i>	<i>Cut Off Gold Eq</i>	<i>Mining Method</i>	<i>Tonnes (t)</i>	<i>Gold (g/t)</i>	<i>Silver (g/t)</i>	<i>Gold Eq (g/t)</i>	<i>Gold (Oz)</i>	<i>Silver (oz)</i>	<i>Gold Eq (Oz)</i>
<i>SERUJAN</i>	0.5	OP	4,170,000	2.6	70.9	4.1	343,000	9,506,000	548,000
<i>BANTIAN</i>	0.5	OP	3,660,000	1.4	34.6	2.1	165,000	4,070,000	252,000
<i>HULUBAI</i>	0.5	OP	370,000	3.0	113.6	5.5	36,000	1,370,000	66,000
<i>PERMATA</i>	0.5	OP	290,000	2.2	91.1	4.1	20,000	850,000	38,000
<i>KERIKIL</i>	0.5	OP	620,000	2.2	37.7	3.0	43,000	750,000	59,000
<i>LANGANTIHAN</i>	0.5	OP	1,190,000	1.2	15.2	1.5	45,000	580,000	58,000
<i>ANAK DUA</i>	0.5	OP	290,000	2.9	28.7	3.6	27,000	260,000	33,000
<i>SOAN</i>	1.0	UG	770,000	4.2	56.9	5.4	103,000	1,400,000	134,000
<i>Sub Total Resource</i>	<i>Variable</i>	<i>All</i>	11,360,000	2.1	51.4	3.3	782,000	18,786,000	1,188,000
<i>Tailings Dam - Stockpile</i>	<i>Variable</i>	<i>Stockpile</i>	7,700,000	0.2	30.0	0.8	49,000	7,420,000	209,000
<i>Sub Total Indicated</i>	<i>Variable</i>	<i>All</i>	19,060,000	1.4	42.8	2.3	831,000	26,206,000	1,397,000
Inferred - as at 30 June 2011									
<i>Deposit/Project</i>	<i>Cut Off Gold Eq</i>	<i>Mining Method</i>	<i>Tonnes (t)</i>	<i>Gold (g/t)</i>	<i>Silver (g/t)</i>	<i>Gold Eq (g/t)</i>	<i>Gold (Oz)</i>	<i>Silver (oz)</i>	<i>Gold Eq (Oz)</i>
<i>SERUJAN</i>	0.5	OP	630,000	2.5	45.8	3.5	51,000	929,000	71,000
<i>BANTIAN</i>	0.5	OP	770,000	1.6	31.9	2.3	40,000	790,000	57,000
<i>HULUBAI</i>	0.5	OP	270,000	2.9	129.3	5.7	25,000	1,130,000	49,000
<i>PERMATA</i>	0.5	OP	310,000	3.0	94.8	5.0	30,000	970,000	51,000
<i>KERIKIL</i>	0.5	OP	690,000	1.6	27.5	2.1	34,000	610,000	48,000
<i>LANGANTIHAN</i>	0.5	OP	1,930,000	1.3	14.7	1.6	79,000	900,000	99,000
<i>DUA LUGI</i>	0.5	OP	40,000	9.5	138.1	12.5	14,000	210,000	19,000
<i>SOAN</i>	1.0	UG	30,000	1.1	29.7	1.7	1,000	30,000	1,000
<i>SINBAR</i>	1.0	UG	1,280,000	2.1	22.6	2.6	85,000	930,000	105,000
<i>SINTER</i>	1.0	UG	590,000	2.9	44.9	3.9	55,000	850,000	74,000
<i>Sub Total Resource</i>	<i>Variable</i>	<i>All</i>	6,540,000	2.0	35.0	2.7	414,000	7,349,000	574,000
<i>Tailings Dam - Stockpile</i>	<i>Variable</i>	<i>Stockpile</i>	2,000,000	0.1	17.0	0.5	6,000	1,090,000	29,000
<i>Sub Total Inferred</i>	<i>Variable</i>	<i>All</i>	8,540,000	1.5	30.7	2.2	420,000	8,439,000	603,000
Mt Muro Total Resource (Indicated + Inferred) - as at 30 June 2011									
<i>Sub Total Resource</i>	<i>Variable</i>	<i>All</i>	17,900,000	2.1	45.4	3.1	1,196,000	26,135,000	1,762,000
<i>Tailings Dam - Stockpile</i>	<i>Variable</i>	<i>Stockpile</i>	9,700,000	0.2	27.3	0.8	55,000	8,510,000	238,000
<i>Grand Total</i>	<i>Variable</i>	<i>All</i>	27,600,000	1.4	39.0	2.3	1,251,000	34,645,000	2,000,000
Mt Muro Total Resource (Indicated + Inferred) - as at 31 December 2010									
<i>Sub Total Resource</i>	<i>Variable</i>	<i>All</i>	16,550,000	2.1	46.5	3.0	1,101,000	24,730,000	1,605,000
<i>Tailings Dam - Stockpile</i>	<i>Variable</i>	<i>Stockpile</i>	9,700,000	0.2	27.3	0.8	55,000	8,510,000	238,000
<i>Grand Total</i>	<i>Variable</i>	<i>All</i>	26,250,000	1.4	39.4	2.2	1,156,000	33,240,000	1,843,000

Note:

- 1) Gold Eq values calculated using a \$US1300 and \$US28 price ratios (Gold Eq = Gold + Silver/(1300/28)).
- 2) Gold Equivalent calculations and reported ounces do not have gold and silver recoveries applied.
- 3) Current and Historical Metallurgical recoveries for Gold range from 90 to 93% and Silver from 65 to 80%.
- 4) All tonnage, grade and ounce values have been rounded to relevant significant figures. Slight errors may occur due to rounding of these values.

Serujan Project

Drilling continued during the period, with the addition of a 3rd diamond drill rig, targeting the upper levels as well as below the March 2011 resource estimate. The deposit remains open at depth and along strike (figure 2 and 3). Significant Intersections contained within the updated resource include;

<i>HOLE</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Interval* (m)</i>	<i>Au_Eq** (g/t)</i>	<i>Au (g/t)</i>	<i>Ag (g/t)</i>
<i>CEDH019</i>	128.4	151.3	22.9	5.33	3.21	97.50
<i>CEDH033</i>	106.6	109.6	3.00	13.37	8.93	204.30
<i>CEDH035</i>	125.6	132.9	7.30	12.75	7.21	254.90
<i>CEDH040</i>	122.6	126.0	3.40	38.57	29.56	414.4
<i>CEDH044</i>	139.45	147.6	8.15	7.59	6.34	57.30
<i>CEDH046</i>	187.5	196.4	8.90	5.45	5.40	38.30
<i>CEDH049</i>	117.45	120.8	3.35	12.74	8.15	211.20
<i>CEDH052</i>	122.2	126.8	4.60	14.74	12.13	120.30
<i>CEDH054</i>	153.55	163.7	10.15	4.56	2.90	76.30
<i>CEDH063</i>	133.1	141.45	8.35	6.15	4.14	92.2

Bantian Project

Drilling continued during the period, focusing on Block 4 and 5, targeting along strike and below existing resource shells. The mineralised structure remains open at depth and along strike (figures 4 and 5). Significant Intersections contained within the updated resource include;

<i>HOLEID</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Interval* (m)</i>	<i>Au_Eq** (g/t)</i>	<i>Au (g/t)</i>	<i>Ag (g/t)</i>
<i>BRC080</i>	60	63	3	7.49	7.22	12.30
<i>BRC096</i>	26	39	13	7.00	4.79	101.40
<i>BRC100</i>	49	53	4	5.40	4.77	28.80
<i>BRC103</i>	43	46	3	9.40	5.20	193.3
<i>BRC113</i>	0	3	3	3.01	2.98	1.70
<i>BRC128</i>	8	18	10	2.94	2.60	15.30
<i>BRC138</i>	76	82	6	3.19	2.62	26.50
<i>BRC155</i>	91	93	2	14.84	14.04	37.00
<i>BRC183</i>	79	84	5	8.62	5.63	137.80
<i>BRC188</i>	3	12	9	5.66	2.52	144.40

*Intersections are down hole. True width is between 60% and 80% of the interval

**Gold Eq values calculated using a \$US1300 and \$US28 price ratios (Gold Eq = Gold + Silver/(1300/28)).

Gold Equivalent calculations and reported ounces do not have gold and silver recoveries applied.

Current and Historical Metallurgical recoveries for Gold range from 90 to 93% and Silver from 65 to 80%.

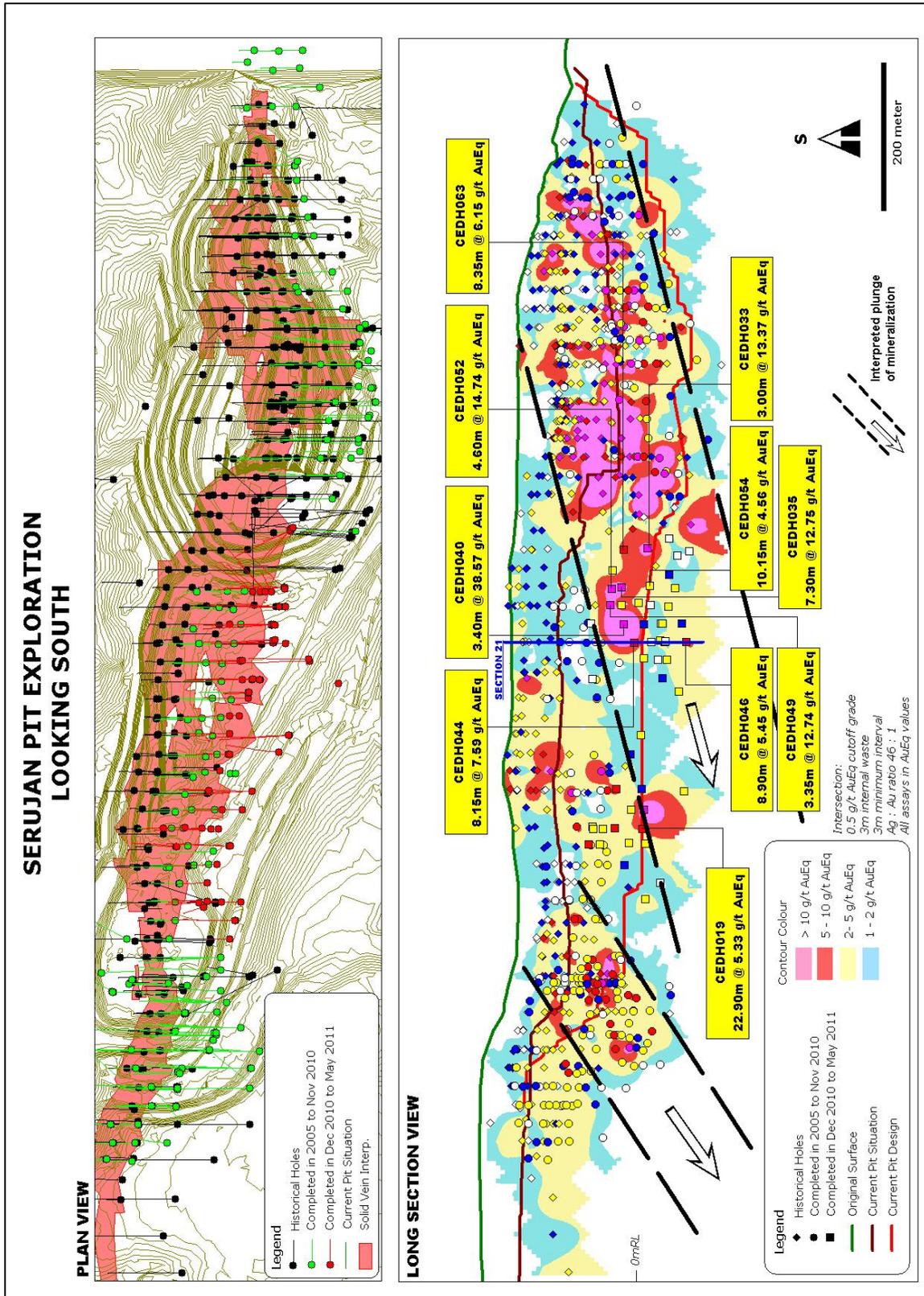


Figure 2. Serujan long section with significant intersections and interpretation of the plunging mineralised zones

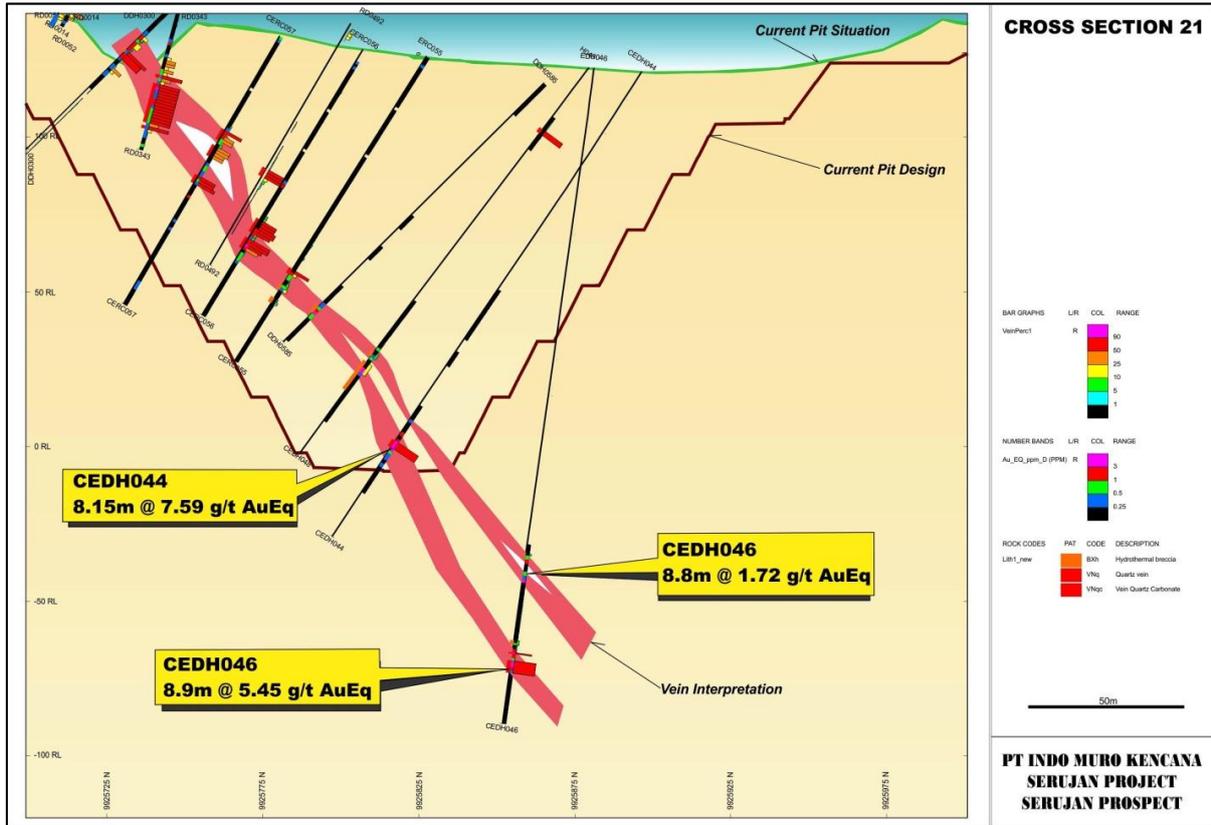


Figure 3. Cross section through Serujan project. The location of the section is shown on the long section

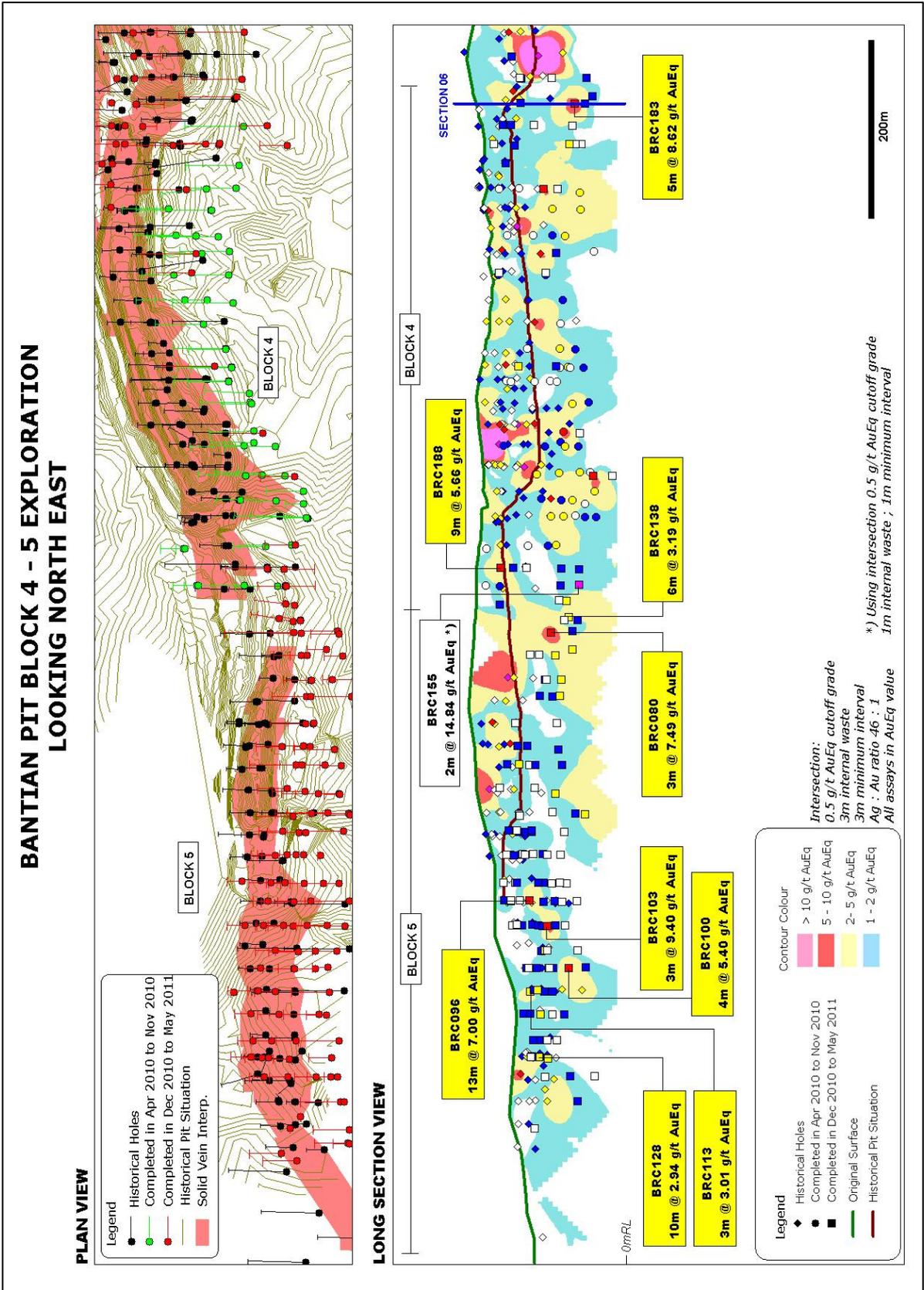


Figure 4. Bantian long section with significant intersections

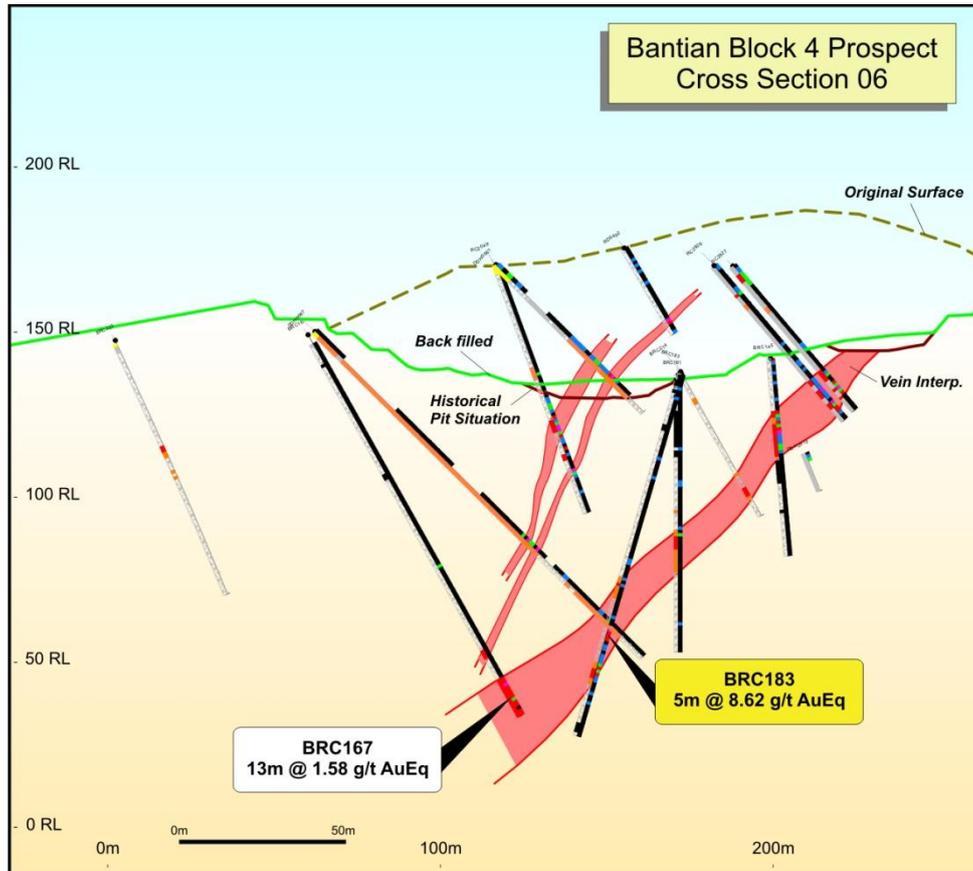


Figure 5. Cross section through Bantian project. The location of the section is shown on the long section

Mineral Resource Notes for the Serujan and Bantian Resources: for Table 1. July 2011.

1. The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Mr Byron Dumpleton. Mr Dumpleton is a member of the Australasian Institute of Geoscientists. Mr Dumpleton is a full-time employee of Straits Resources Limited with over 23 years' experience in exploration, mining, economic evaluations and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Dumpleton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
2. Mr Ian Stockton is the Geology Manager for Mt Muro (PT. INDO MURO KENCANNA), he is the qualified person responsible for the QA/QC, geological interpretation protocol. Mr Stockton is a member of the Australian Institute of Mining and Metallurgy. Mr Stockton has over 22 years' of experience in exploration, mining and evaluation of mineral commodities. Mr Stockton Consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.
3. Mineral Resources are Inclusive of Ore Reserves.
4. Gold Equivalent (AuEq) numbers reported are based US\$1300 for Gold and US\$28 for Silver. No recovery factors have been applied to the "In-situ" Gold Equivalent (AuEq) value. Gold Equivalent equation = $Au \text{ value} + Ag \text{ value} / (1300/28)$. Note these figures have been updated by Straits Resources Ltd to reflect current Straits corporate accounting policy.
5. All tonnage, grade and ounce values have been rounded to relevant significant figures. Slight errors may occur due to rounding of these values.
6. Historical and current metallurgical recoveries for Mt Muro range 90 to 93% for Gold and 65 to 80% for Silver.
7. Bulk density estimates were assigned on a weathering basis. Density values are calculated using the water immersion (Archimedes principle) on diamond core samples and/or in pit samples.



Straits

For further information, please contact either:

- Mr Dave Greenwood – Corporate Affairs
on +61 8 9480-0500, or visit our website at www.straits.com.au.

About Straits Resources

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 focusing on projects in NSW (through Goldminco) and South Australia.

STRAITS RESOURCES LIMITED

ABN 30 147 131 977

Level 1 ♦ 35 Ventnor Avenue ♦ West Perth WA 6005 ♦ Australia | PO Box 1641 ♦ West Perth WA 6872

T: +61 8 9480 0500 ♦ F: +61 8 9480 0520 ♦ E: info@straits.com.au ♦ www.straits.com.au