



# CEO AGM Presentation

Nov 2011



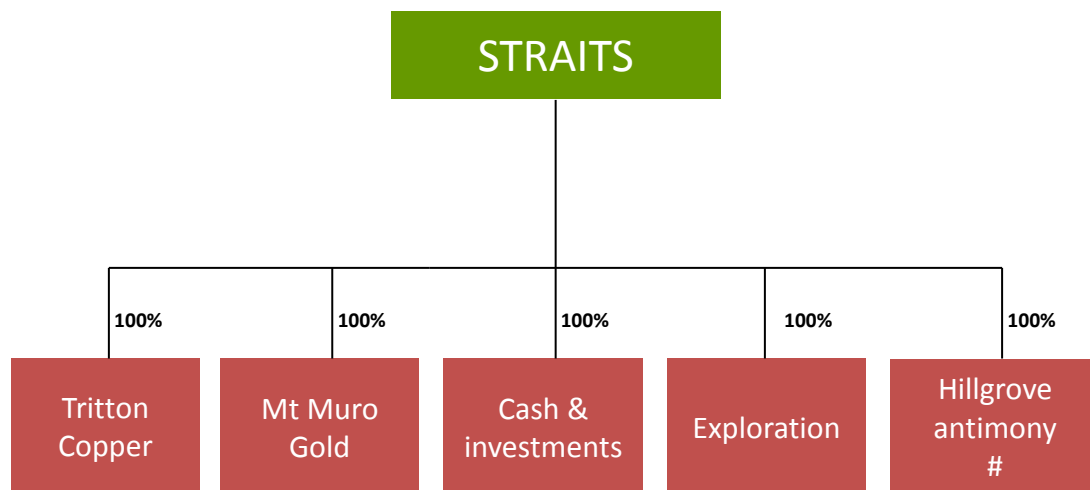


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# SRQ Corporate Structure



ASX code

**SRQ**

Ordinary shares

**325 m**

Market capitalisation

**A\$211 m\***

Top 20 shareholders

**79%**

\* As at 16 Nov 2011: AUD 211,117,492 (derived from 324,796,141 ordinary shares at AUD 0.65 each)

# Currently being divested through public listing

## SRQ Major Shareholders

Standard Chartered Private Equity 18.8%

Merricks Capital 17.1%

Baker Steel Capital Managers 5.0%

Board & Management 6.5%

Top 20 shareholders 79%



# SRQ value proposition

**SRQ Market Capitalisation of**

**A\$211 million**

**Cash and Investments of A\$49 million\* plus receivables of A\$27 million (sale proceeds from sale of GfE & Magontec)**

- **Tritton Copper**
  - Tritton producing 25,000tpa copper
  - New reserve at June 2011 has minimum 7 year mine life (172,000 tonnes copper)
  - Completed paste fill implementation, change to transverse mining method and now owner operator
  - Cu offtake restructuring announced September 2011
- **Mt Muro Gold**
  - Significant increase in reserves/resources in 2011, drilling continues
  - Production ramp up in FY 2012
- **Active Exploration**
  - Investing approx A\$20 million across Group in FY2012:
  - Brownfield and Greenfield exploration around existing Operations Tritton and Mt Muro
  - Lachlan Fold Belt Porphyry copper/gold exploration at Temora & Blayney Projects in NSW
  - IOCG – iron oxide copper gold exploration in South Australia's Stuart Shelf (Olympic Dam and Prominent Hill)
- **Complete the divestment of the Hillgrove project**

\*at 30 September 2011.



# Achievements in 2011 & forecast to be achieved in 2012

## In last 12 months

- De-merger of metal assets & sale of coal assets (metals listed as new company)
- Tritton copper & Mt Muro gold mines recapitalised
- Reserve increases at Tritton & Muro, new Cu discovery at Avoca Tank
- GfE & Magontec sold
- Goldminco minorities bought out

## In next 12 months

- Finalise buy out of Tritton's Cu offtake agreement
- Mt Muro ramp up in production
- Cost optimisation at Tritton & Mt Muro
- Active Exploration at mine sites, Temora/Blayney & South Australia
- Complete the divestment of the Hillgrove project

# Operating Review





# Tritton Overview

## 28% Increase in Copper Reserves to 172,000 Tonnes

- Tritton producing 25,000 tpa copper
- Significant investment in recapitalisation and efficiency program in FY2011/12
  - Implementation of Paste Fill
  - Change to “bottom up” mining method
  - Change to owner operator
- Focussing on stable future production platform and reduction of costs
- Exploration success
  - 28% increase in total reserves to 172,000 tonnes of Copper
  - Resources of 29.9Mt @ 1.6% Cu
  - Focus on near mine & regional exploration in 2012
- Sites financial performance constrained by high TC/RC's

Production Statistics from Tritton		FY 2011	FY2010
Ore Mined (Tritton)	Tonnes	<b>1,160,476</b>	<b>911,539</b>
	Grade (%)	<b>2.11</b>	<b>2.35</b>
	Cu Tonnes	<b>24,486</b>	<b>21,451</b>
Ore Milled	Tonnes	<b>1,163,732</b>	<b>906,347</b>
	Grade (%)	<b>2.11</b>	<b>2.37</b>
	Cu Tonnes	<b>24,555</b>	<b>21,464</b>
Recovery	%	<b>95.1</b>	<b>94.2</b>
Concentrate	Tonnes	<b>94,483</b>	<b>81,183</b>
	Cu %	<b>25</b>	<b>25</b>
	Cu Tonnes	<b>23,354</b>	<b>20,226</b>

Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	2,620	19,950	7,340	<b>29,910</b>
Cu (%)	2.5	1.5	1.4	<b>1.6</b>
Reserves	Proved	Probable	Total	
Tonnes (kt)	1,670	8,730	<b>10,400</b>	
Cu (%)	2.3	1.6	<b>1.8</b>	
Cu recoverable (t)	37,000	135,000	<b>172,000</b>	





# Tritton Overview

## Copper Offtake agreement for Tritton to be bought out

- September 2011 MOU agreed with JP Morgan (JPM) for buying out existing Tritton offtake agreement
- Price of US\$120 million at 31 June 2011 (price to be adjusted on day of closing transaction based on Cu forward curve price)
- TC/RC's market related from Jan 2011
- US\$9 million to cancel offtake with JPM from July 2011







# Mt Muro Overview

## Substantial Resource & Reserve Upgrades in 2011

- Plant throughput capable of 1.6Mtpa
- Initial Serujan open pit cut back completed
- Fewer working areas = stable production & lower costs
- Resources 17.9Mt @ 2.1g/t Au & 46g/t Ag (2 mill oz Aueq\*)
- Reserves 438,000 Oz Au & 8 million Oz Ag
- Exploration – targeting depth extensions to known significant gold producing structures. Structures so far only tested to relatively shallow depth.

Production Statistics Mt Muro	FY 2011	FY 2010
Ore milled	325,035	615,544
Gold grade (g/t)	2.5	2.6
Silver grade (g/t)	29	12
Gold recovery (%)	92.6	89.7
Silver recovery (%)	72.9	58.9
Gold production (oz)	25,022	45,521
Silver production (oz)	228,502	143,496

Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	-	19,060	8,054	<b>27,600</b>
Au (g/t)	-	1.4	1.6	<b>1.4</b>
Ag (g/t)	-	43	31	<b>39</b>

Reserves (probable)	June 2011	June 2010
Tonnes (kt)	<b>5,930</b>	1,900
Au (g/t)	<b>2.5</b>	3.4
Ag (g/t)	<b>59</b>	64
Au (oz)	<b>438,000</b>	190,500
Ag (oz)	<b>8,060,000</b>	2,700,000
Au Eq (oz)	<b>629,000</b>	250,000

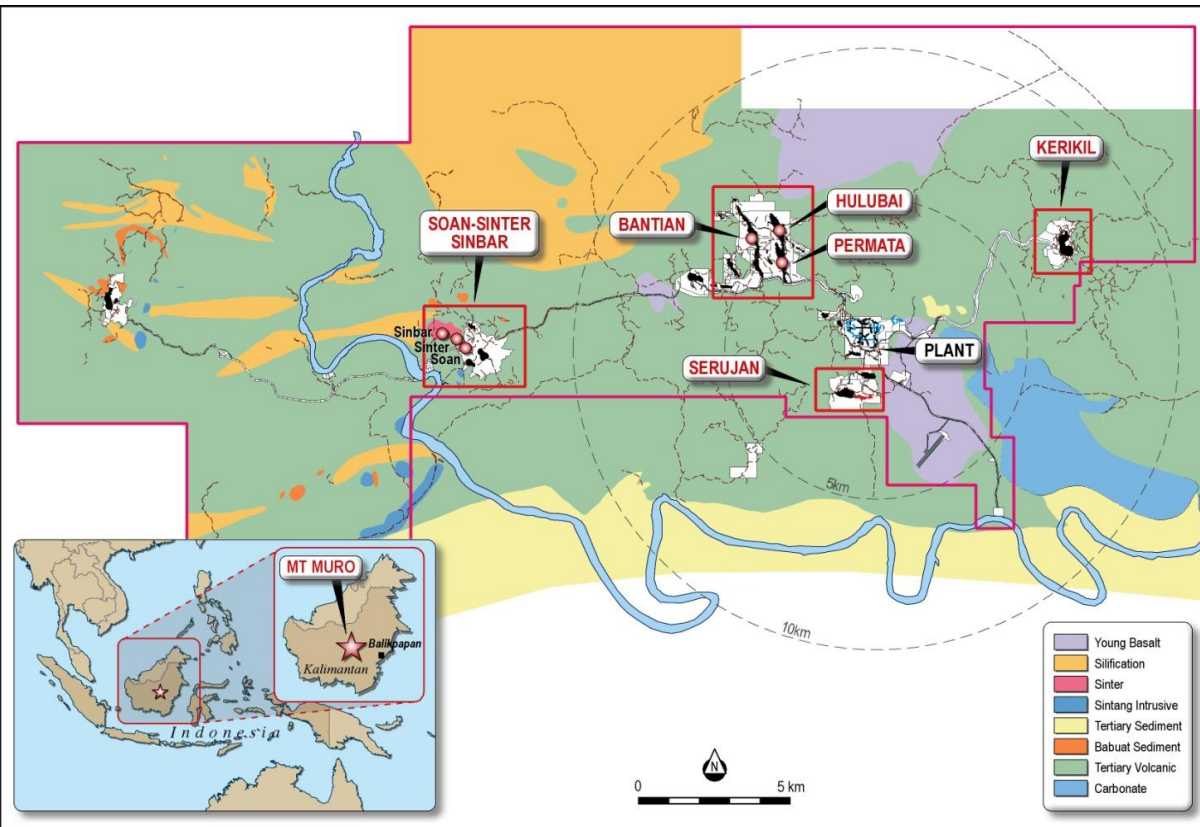
\*Aueq calculated using US\$1300/ounce gold & US\$28/ounce silver.



# Gold – Mt Muro Exploration

## Mt Muro

- Concentrating on Serujan and Bantian open pits initially, commenced on Hulubai
- Close to existing infrastructure

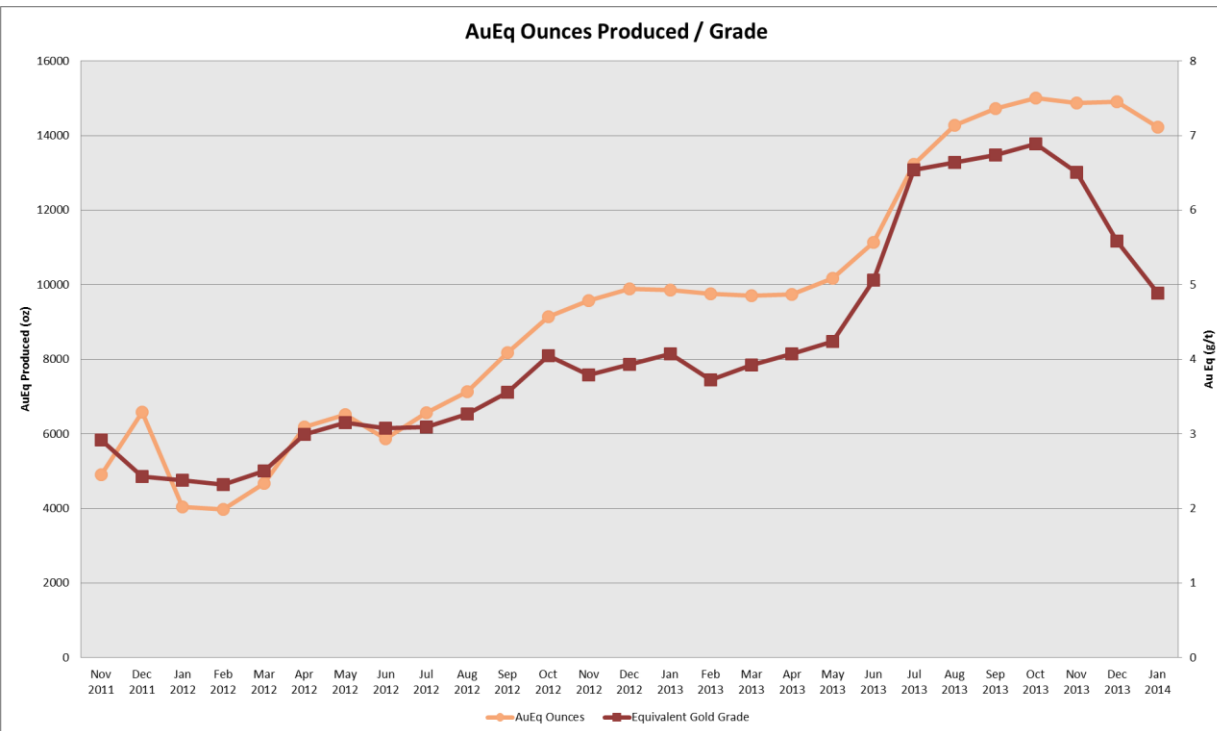




# Gold – Mt Muro Exploration

## Mt Muro

- Targeting plus 100,000 oz AuEq production, ramp up starting 4<sup>th</sup>qtr 2011
- Plan to reach annualised 100,000 oz AuEq rate 2<sup>nd</sup> qtr calendar 2012
- Average total cost estimate for FY2012/14 not exceeding US\$850 oz AuEq





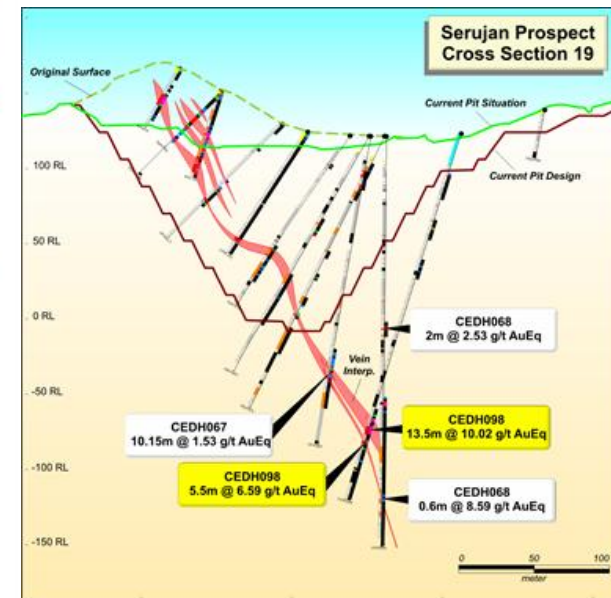
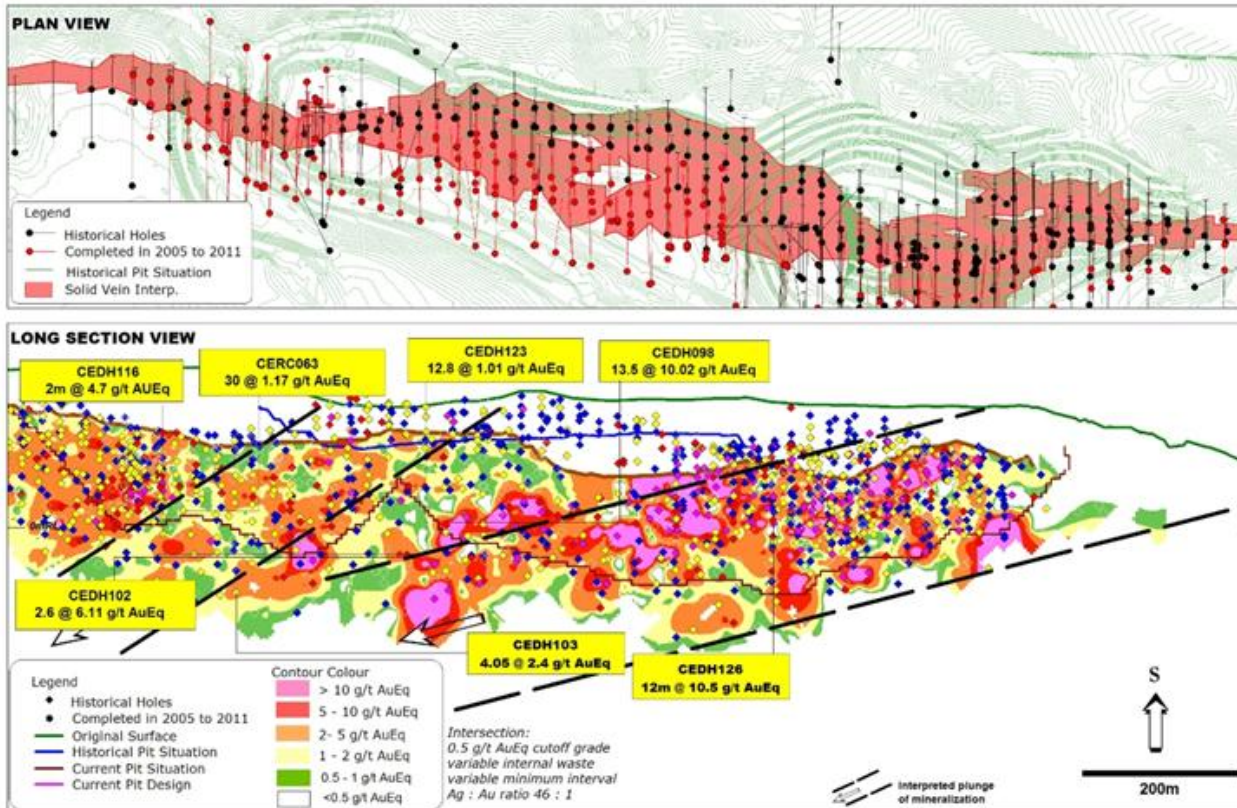


# Gold – Mt Muro Exploration

## Mt Muro

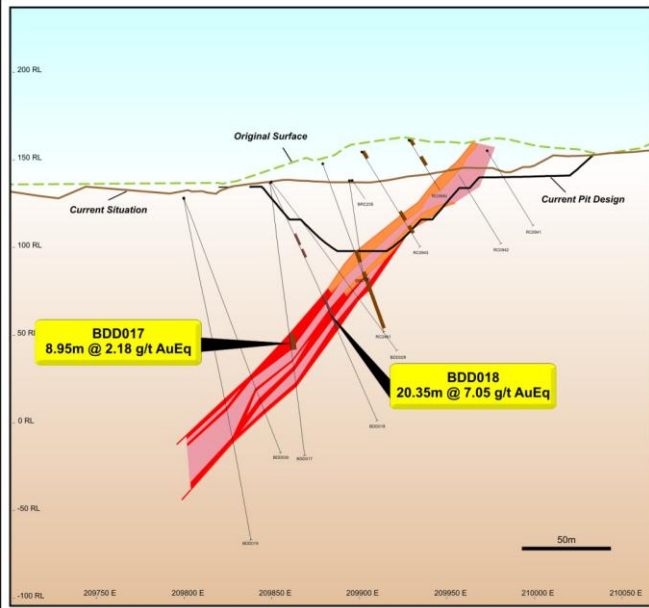
- Compelling exploration as the majority of the mined systems have only been exploited to a depth of ~100m vertical with the deepest pits only 150m. Typically epithermal gold windows are known to extend over 300-400m vertical extent.

### SERUJAN PIT EXPLORATION LOOKING SOUTH





# Gold – Mt Muro Exploration



Lidar Plan Map

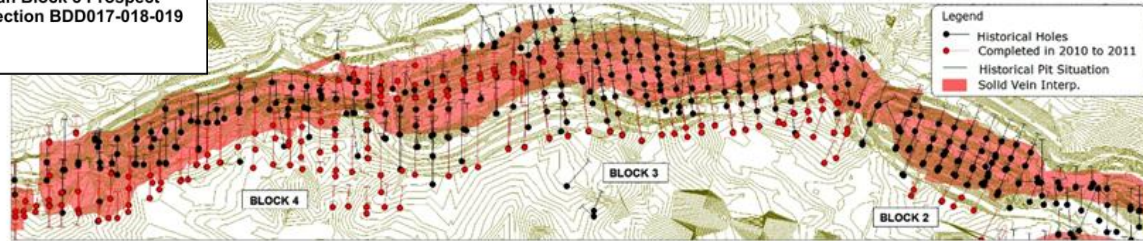


Legend

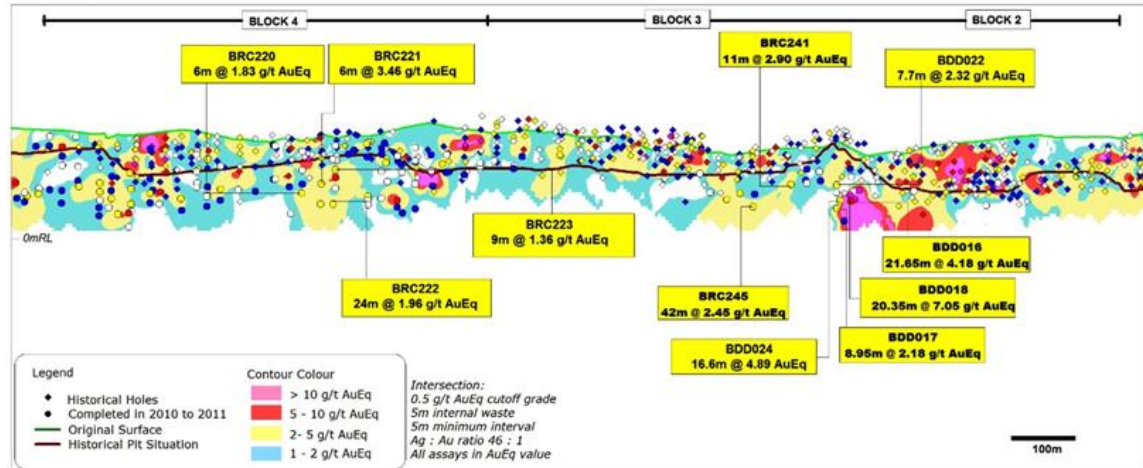
- Mineralized Zone Envelope
- Quartz Vein
- Current Model

Bantian Block 3 Prospect  
Cross Section BDD017-018-019

## BANTIAN PIT BLOCK 2 - 3 - 4 EXPLORATION LOOKING NORTH EAST



LONG SECTION VIEW



# Exploration



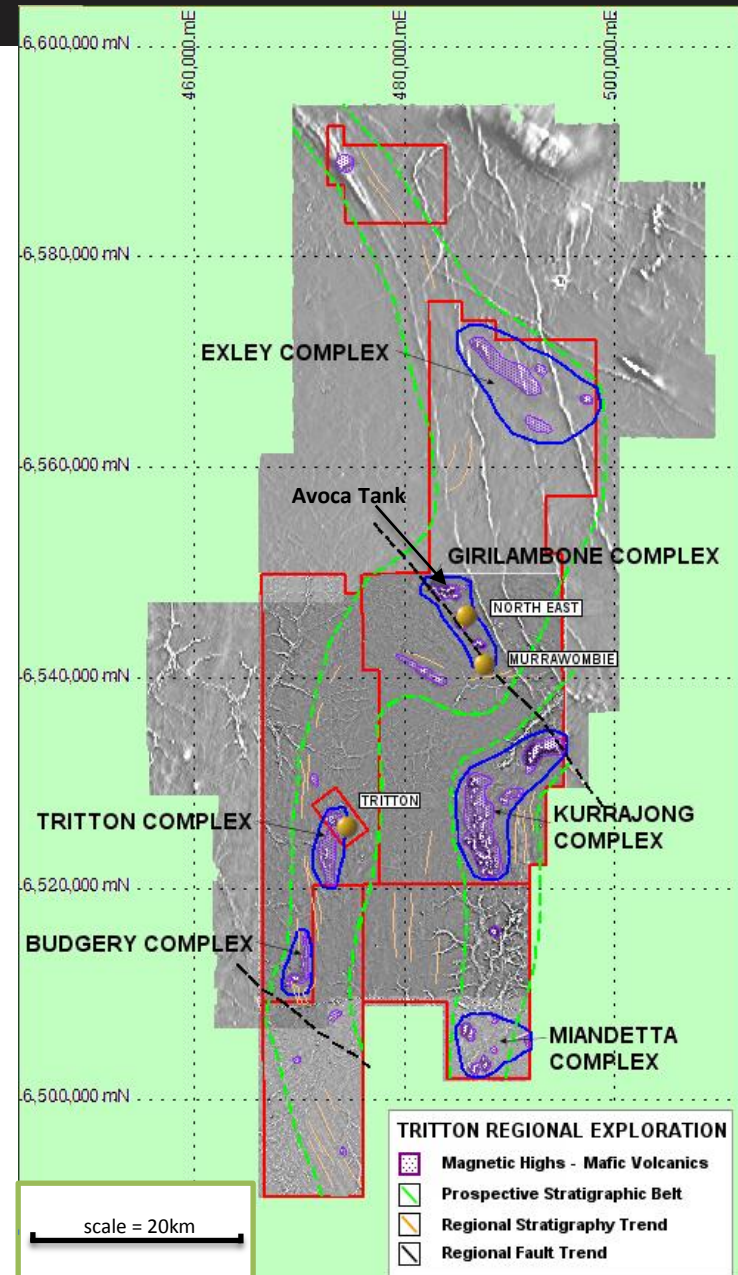


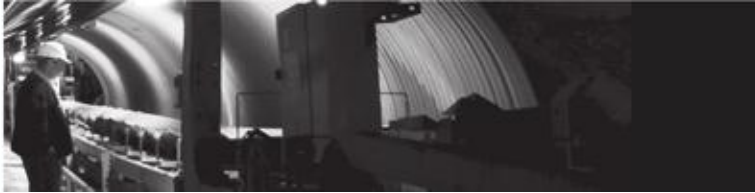


# Exploration

## Tritton Tenements, NSW

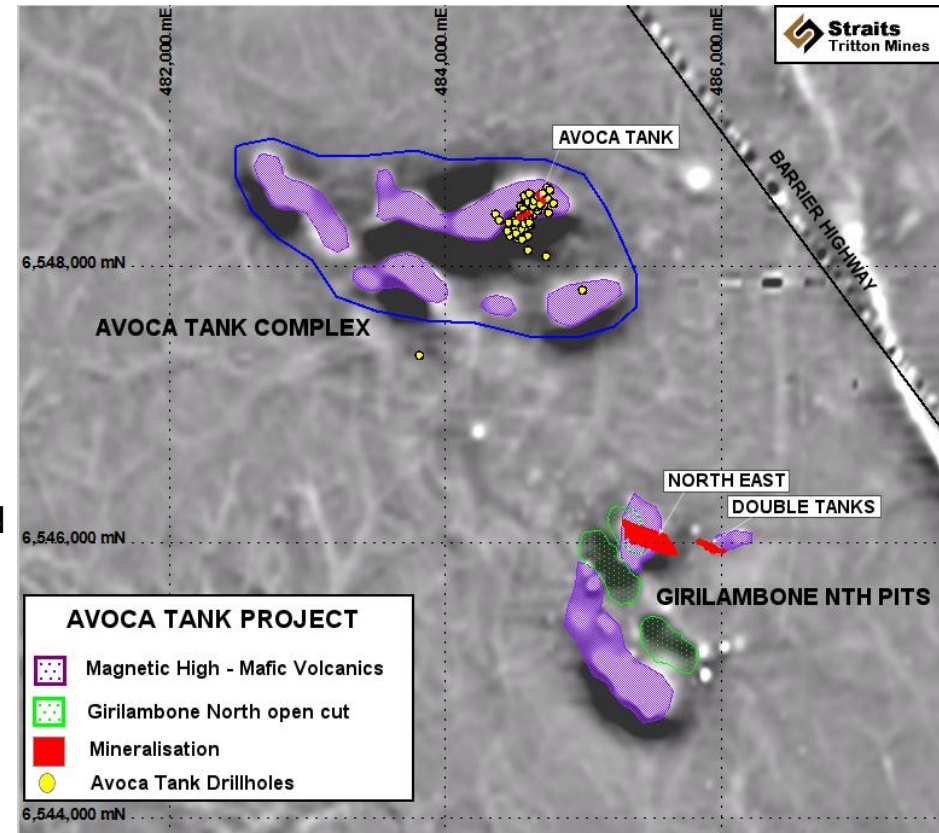
- **+100 km long prospective corridor** targeting mineralisation associated with magnetic complexes; within a package of volcanic and metamorphosed siliciclastic rocks, + mafic (and ultramafic) intrusive rocks are present.
- Clearly recognised as a “**Besshi Style**” mafic-siliciclastic VMS (volcanogenic massive sulphide)
- Many historical showings virtually untested by drilling
- Six key target areas
- **Avoca Tank (Girilambone complex)** 1<sup>st</sup> target tested resulted in a new discovery
- Targets to be tested during the remainder of FY12
  - Double Tanks (Girilambone complex)
  - Kurrajong
  - Budgery West
  - Bonnie Dundee (Tritton complex)





## Tritton Tenements, NSW-Avoca Tank Discovery

- Discovery hole TATD001 intercepted 2 lenses
- 10 drill holes testing Avoca Tank completed to date best results released to ASX include:
  - TATD001: **12m @ 1.8% cu & 0.7 g/t au** from 155m  
**23m @ 4.3% cu & 0.8 g/t au** from 193m
  - TATD003: **13m @ 1.1% cu & 3.0 g/t au** from 102m  
**23m @ 5.9% cu & 1.0 g/t au** from 119m
  - TATD005: **1m @ 4.4% cu & 1.0 g/t au** from 253m  
**12m @ 3.5% cu & 1.3 g/t au** from 264m
- 50 - 60m strike length near surface
- Mineralised lens extends for +250m down plunge and is open at depth & to the south
- Only small portion of the prospective Mafic Complex (2.5km x 1.8km) tested to date

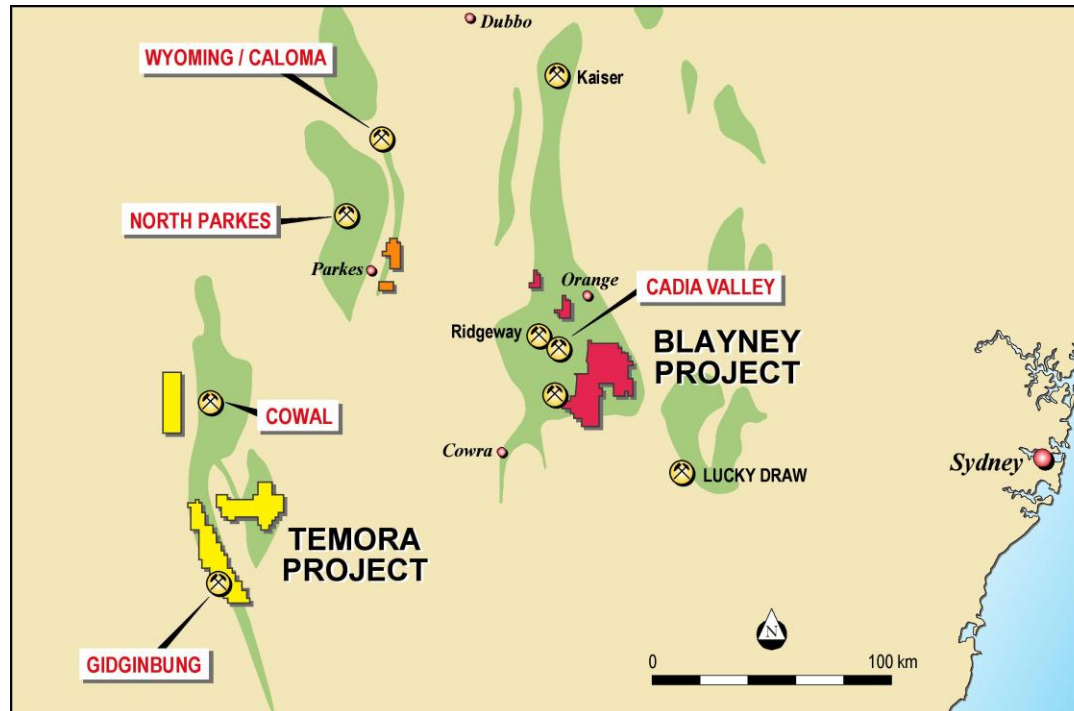




## Lachlan Fold Belt, NSW

Main targets:

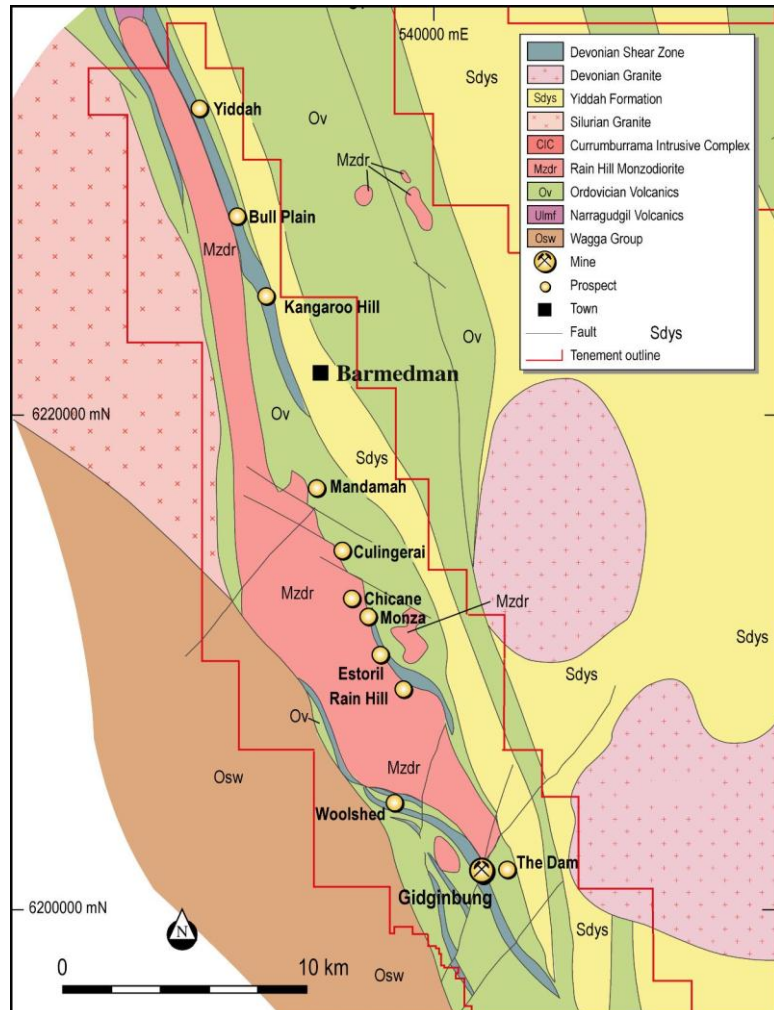
- NSW Temora - targeting Cu/Au porphyry
- Blayney- targeting Au/Cu porphyry





# Exploration

## Major NSW Copper/Gold Porphyry Province



- At Temora, targeting Cu/Au porphyry systems over more than 30km of strike length
- July 2008 resource of **142Mt @ 0.32% Cu & 0.29 g/t Au**
- Drilling since 2008 has extended mineralisation at Temora significantly
- Temora resource to be updated in FY2012
- Blayney resource includes:
  - Discovery Ridge-indicated & inferred 14Mt @ 1.2 g/t Au
  - Bald Hill-inferred 37Mt @ 0.5 g/t Au
- Dec 2011 quarter drill testing IP anomalies in Blayney tenements

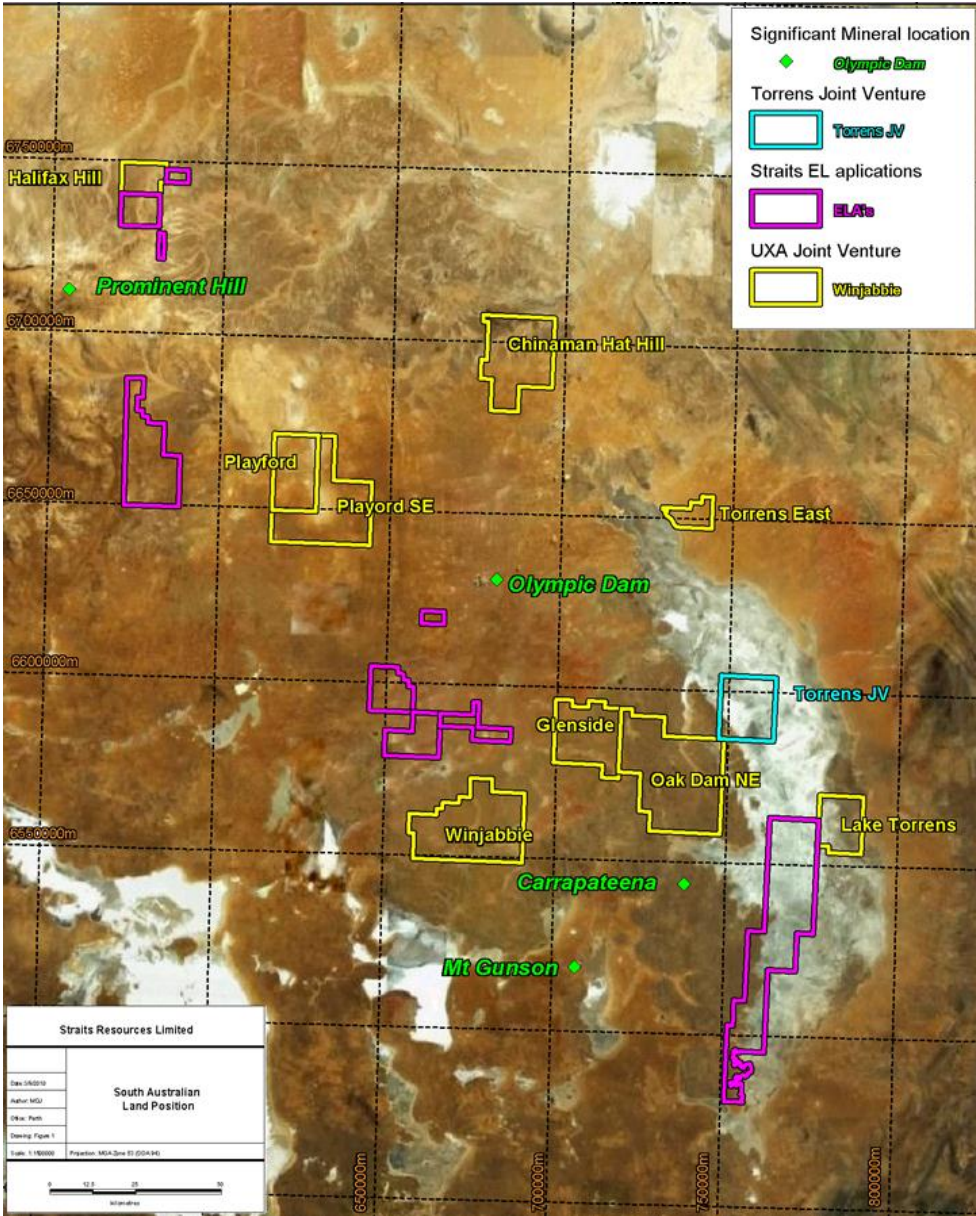




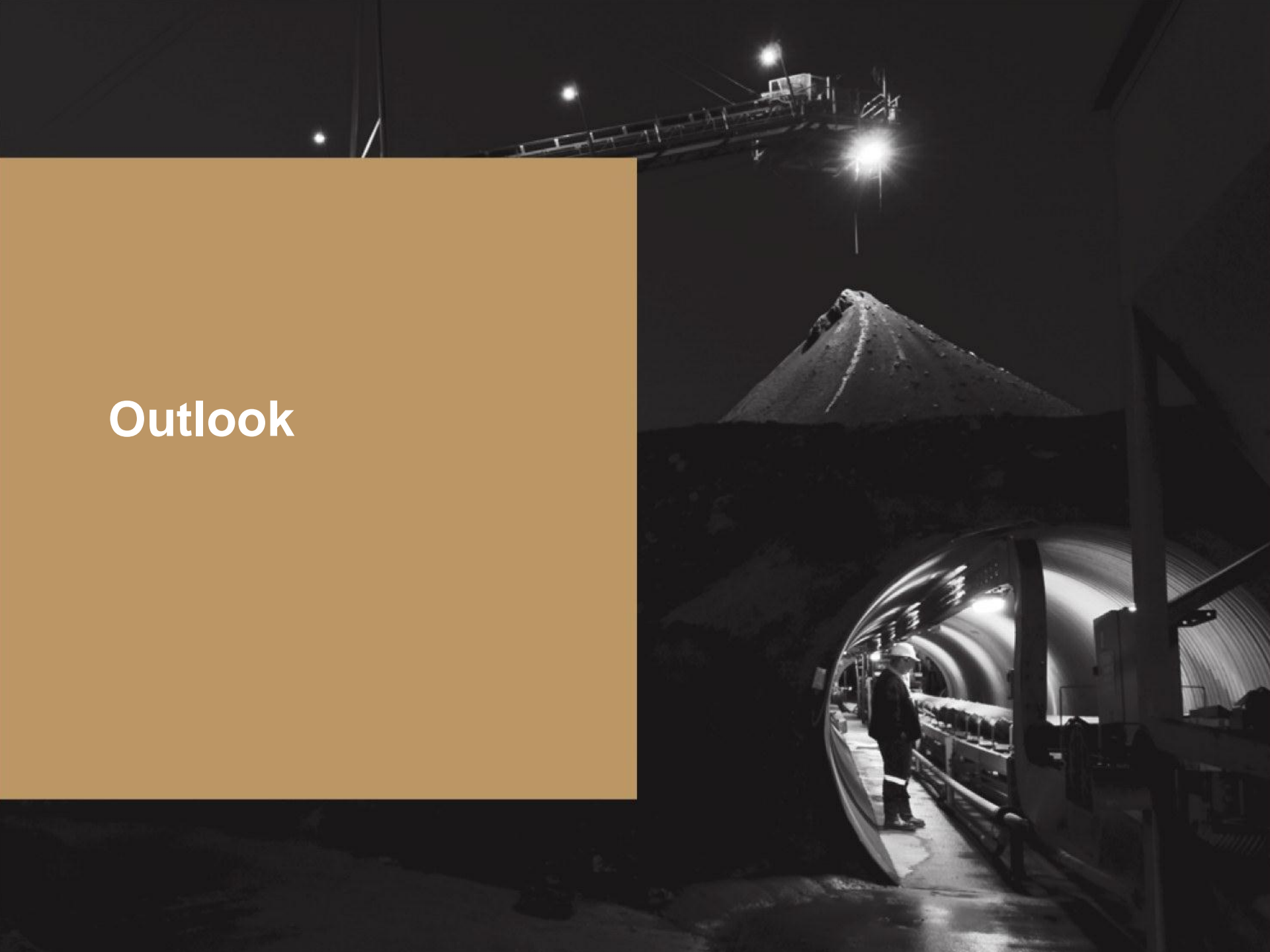
# Exploration

## Stuart Shelf, South Australia

- The Stuart Shelf is a well endowed, under explored, significant copper belt by world standards.
- Hosting the major deposits of Olympic Dam, Prominent Hill, and Carrapateena deposits.
- Straits now holds tenure through the ARE/SRQ JV, UXA/SRQ JV and SRL tenements in our own right.
- Straits holds in excess of 5,000sqkm of exploration tenure on the Stuart Shelf.
- Straits expected to commence drilling on the Winjabbie project during the December 2011 quarter.



# Outlook







## Straits is Positioned for Growth

- A copper and gold focussed metals mining & exploration company
  - Tritton - production of 25,000tpa copper, + 7 years reserves
  - Mt Muro - significant production increase in 2012, resource/reserve drilling continues
  - NSW - long term potential large Cu/Au porphyry development
  - South Australia - greenfields Olympic Dam style targets, drilling commences Dec 2012 qtr
- Active Exploration
  - Investing approx \$20 million across Group in FY2011 : Near mine, Brownfield and Greenfield exploration
- Complete the divestment of Hillgrove project
- Restructure of Tritton copper offtake agreement



### Competent Persons Statement

1. **The information in this report that relates to Exploration Results**, is based on information compiled and/or reviewed by Mr Ivan Jerkovic who is a Member of the Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists. Mr Jerkovic is a full time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Jerkovic consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.
2. **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.