



# Quarterly Activities Report

For the period ended  
31 December 2011



## Highlights

### Operational

- Tritton produced 6,235 tonnes of copper in the December 2011 quarter (6,140 in September quarter). Cash costs were US\$2.09/lb, a 13% decrease on the previous quarter.
- Mt Muro produced 10,592oz AuEq in the December 2011 quarter (10,198oz AuEq in the September quarter). Cash costs of US\$1,486/oz (from US\$1,383/oz).

### Exploration

- Further excellent intersections at the Avoca Tanks prospect close to Tritton's North-East ore body.
- Mt Muro – exploration continues to produce very promising exploration results at the Serujan and Bantian prospects. New discovery at Selampung north of Serujan.

- South Australia – UXA drilling to commence in the first quarter 2012.

### Corporate

- Buy out of J.P. Morgan Cu offtake agreement completed.
- US\$50 million silver pre-pay facility finalised with Credit Suisse.
- At the end of December 2011, Straits had cash and investments of A\$58 million and debt of A\$123 million.
- Hillgrove antimony/gold mine – agreement with Ancoa NL for the sale of Hillgrove, subject to a successful capital raising and initial public offering(IPO) by Ancoa which has been delayed until first quarter 2012.

### 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 and South Australia.*

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Shares on issue:  
Quoted: 324,796,141



## Production Summary

		Dec 11 Qtr (Q2 FY 2012)	Sept 11 Qtr (Q1 FY 2012)	FY 2012	FY 2011
<b>Tritton Copper Mine, NSW</b>					
Copper produced (100%)	tonnes	6,235	6,140	12,375	23,936
Copper sold (100%)	tonnes	7,652	5,063	12,715	22,594
Cash cost (excludes TC/RC)	US\$/lb	2.09	2.41	2.25	2.13
<b>Mt Muro Gold Mine, Indonesia*</b>					
Production	Au oz	7,898	6,906	14,804	25,022
	Ag oz	163,198	147,755	310,953	77,568
Sales	Au oz	7,362	7,137	14,499	25,911
	Ag oz	153,521	152,813	306,334	189,337
Cash costs	Au Eq oz	1,486	1,383	1,436	1,674
<b>Group Revenue*</b>					
Sales Revenue	A\$'000	85,595	64,941	150,536	128,091

\*FY2011 revenue includes only five 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	Dec11 Qtr	Sept11 Qtr	FY2012	FY 2011
Mined	tonnes	324,946	314,660	639,606	1,160,476
Grade	% Cu	1.96%	1.98%	1.98%	2.11%
Milled	tonnes	320,817	315,721	636,538	1,163,732
Grade	% Cu	2.00%	1.99%	1.99%	2.11%
Recovery	%	96.00%	95.20%	95.59%	95.09%
<b>Cu Concentrate</b>	<b>tonnes</b>	<b>23,782</b>	<b>23,901</b>	<b>47,683</b>	<b>94,483</b>
<b>Cu Grade</b>	<b>%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>Cu in concentrate</b>	<b>tonnes</b>	<b>6,083</b>	<b>5,976</b>	<b>12,059</b>	<b>23,354</b>
<b>Cu Cement</b>	<b>tonnes</b>	<b>152</b>	<b>163</b>	<b>315</b>	<b>582</b>
<b>Total Cu Produced</b>	<b>tonnes</b>	<b>6,235</b>	<b>6,140</b>	<b>12,375</b>	<b>23,936</b>

Production from Tritton in the December quarter totalled 6,235 tonnes of copper – with 6,083 tonnes of contained copper in concentrate and 152 tonnes in copper cement. Tritton continues to maintain a steady state annualised production rate of approx 25Ktpa copper.

#### *Mining*

Mining was maintained at a high rate during the quarter. Both the North East and Tritton mines performed well. The grade at the Tritton mine rose as the mine returned to its normal mining and paste fill sequence.

#### *Processing*

The Processing Plant continued to perform well with mill recovery rates remaining high at 96%.

#### *Costs*

Site cash costs (excluding TC/RC's) for the quarter decreased to \$US2.09/lb (from US\$2.41/lb). Cost reductions were as expected from the transition to owner operator and continued improvement in equipment productivity. The management team continues to drive further productivity and cost improvements.



**Mt Muro Gold Mine, Indonesia**

*Straits - Contract of Work 100%*

QUARTERLY PRODUCTION STATISTICS - MT MURO

	Units	Dec 11 Qtr	Sept 11 Qtr	FY 2012	FY 2011
Ore Milled	tonnes	228,027	173,014	401,041	325,035
Grade – Gold	g/t Au	1.2	1.4	1.2	2.5
– Silver	g/t Ag	29.6	46.7	33.8	28.9
Recovery – Gold	% Au	93.4%	93.0%	93.2%	92.6%
– Silver	% Ag	70.3%	69.3%	69.8%	72.9%
<b>Production (Gold)**</b>	<b>oz Au</b>	<b>7,898</b>	<b>6,906</b>	<b>14,804</b>	<b>25,022</b>
<b>(Silver)</b>	<b>oz Ag</b>	<b>163,198</b>	<b>147,755</b>	<b>310,953</b>	<b>228,502</b>
<b>Gold Sold</b>	<b>oz Au</b>	<b>7,362</b>	<b>7,137</b>	<b>14,499</b>	<b>25,911</b>
<b>Silver Sold</b>	<b>Ag oz</b>	<b>153,521</b>	<b>152,813</b>	<b>306,334</b>	<b>189,337</b>

\*\* PRODUCTION reported is gold poured.

Mt Muro maintained its production profile over the quarter producing 7,898 oz Au and 163,198 oz Ag (10,952 oz Aueq).

The operation continues to focus on the major development of the Serujan open pit. This is progressing well, with waste movement levels continuing to rise and now at scheduled levels. Waste movement has risen to 2.8 Mbcm in the quarter, up from 2.0 Mbcm in the September 2011 quarter.

Resource extension drilling has shown increases in the potential depth of the Serujan pit and the mine plan has been adjusted to increase the pit size to include this extra material. This has necessitated higher volumes of initial pre-stripping in this financial year which has delayed slightly the ramp up in production. As a consequence the production target for FY 2012 is now 60 koz Aueq. The total three year production plan highlighted previously still applies. Production is targeted to approach an annualised rate of 100 koz Aueq in the June quarter 2012, and in excess of this level for FY2013. The management team is driving further improvements in both productivity and costs.

Cash costs for the quarter were US\$1,486 Au eqoz. This includes US\$100/oz related to under accrual in the previous quarter.

Mt Muro remains a resource with significant upside and exploration potential. Continued excellent drill results underpin the very positive outlook for Mt Muro, with significant drilling resources remaining committed to the project.

**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.

Straits continues to work with Ancoa (previously Court Resources) with the intention of listing Hillgrove as an independent antimony producer in the March 2012 quarter. Antimony remains in strong demand.



## Exploration

### NEW SOUTH WALES

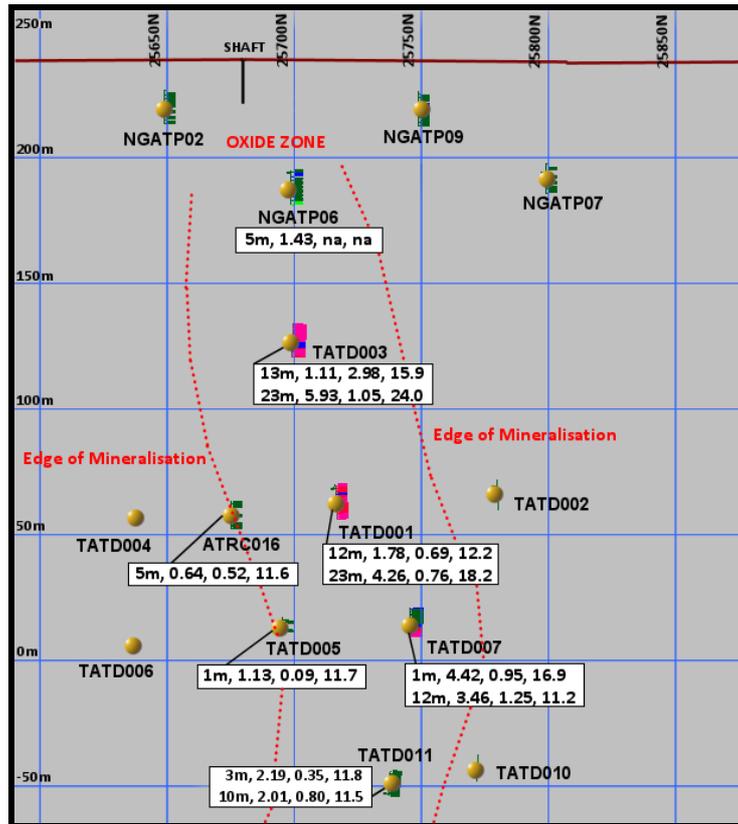
#### Tritton: Straits – 100%

Post the reserve definition programme at Tritton completed in August 2011 the exploration focus moved to the regional tenements testing a number of excellent geophysical/geochemical targets. In this regard the first target tested during the September quarter resulted in a new sulphide discovery at the Avoca Tank prospect. Seven holes were drilled at Avoca Tank in the September quarter and a further five drill holes were completed during the December quarter (see significant results below). Avoca Tank is located approximately 2km north of the Girilambone North mining area and had previously been

drilled with shallow RC holes searching for copper oxide mineralisation in the 1990's. The drilling at Avoca Tank has identified significant VMS "Besshi style" sulphide mineralisation. The mineralisation is associated with a thick hanging wall zone of magnetite / chlorite alteration and a footwall mafic volcanic unit. The drilling of the Avoca Tank deposit represents the first significant mineralised system identified since regional exploration activities recently recommenced at the Tritton Operations.

#### Significant Results for Avoca Tank Drilling

Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TATD008	484602	6548216	-60	318	148	1	1.02	0.04	0.01	0.2
					154	3	0.54	0.07	0.02	0.3
					163	1	0.53	0.02	0.01	0.3
					179	1	0.98	0.02	0.02	0.2
					186	1	0.80	0.02	0.01	0.2
					227	1	1.00	2.27	0.11	14.2
TATD009	484559	6548190	-60	318	156	1	0.60	0.01	0.01	0.6
TATD011	484763	6548550	-60	231	303	2	1.32	0.28	0.40	19.2
					311	3	2.19	1.17	0.35	11.8
					320	4	0.97	0.44	0.14	5.1
					329	1	1.50	0.11	0.30	2.9
					344	1	0.79	0.13	0.18	4.3
					366	10	2.01	0.95	0.80	11.5
TATD012	484645	6548241	-55	318	289	1	0.97	0.19	0.12	3.1
					294	21	0.99	0.18	0.26	3.9
					324	8	1.28	0.18	0.35	4.1
					343	6	1.18	0.24	0.36	5.4



Long-section of the Avoca Tank Prospect drilling

During the first half of 2012, a work program is being planned for a second phase of drilling, that would include aircore drilling over the entire mafic complex at Avoca Tank, with emphasis on the mafic / sediment boundary. Infill drilling will focus on defining the extent of the sulphide mineralisation which will include holes into the near surface oxide zone and deep drilling to continue testing the eastern high grade zone down plunge.

In addition a number of excellent targets associated with mafic lithologies and coincident geochemical and geophysical anomalies throughout the region will be tested.

**Temora Project:** *Straits – 100%*

Final results of the Temora field season are being compiled in readiness for an updated mineral resource inventory for the entire project area.

**Blayney Project:** *Straits – 100%*

An RC drilling programme of the IP targets generated from the 2009 surveys at Greghamstown and Bluebird was completed. No significant results were returned.

**Hillgrove:** *Straits – 100%*

Limited exploration activities were undertaken during the quarter.

**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 on 100% Straits owned Tenure.

**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, however this decision was then successfully appealed by the appellants in the Supreme-Court in September 2011. Post quarter end the Crown has applied for leave to appeal this decision, which was submitted to the high court on the 19<sup>th</sup> January.



The Torrens JV partners are in the process of appealing the ERD Court decision (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 nine tenements for a total of 3,300km<sup>2</sup>.

Geophysical evaluation of the highest priority targets within the tenement package was completed during the June 2011 Quarter.

Straits and UXA have negotiated and entered into an amended Native Title Mining Agreements for Exploration in accordance with Part 9B of the South Australian Mining Act with Native Title Claim groups covering the tenements in the joint venture.

A heritage clearance survey was successfully completed over a number of priority drill target areas in the December quarter 2011. This has allowed detailed planning for drilling which is now expected to commence in late January 2012.

**Straits IOCG Exploration (EL4574 & EL4557): Straits – 100%**

Straits is exploring in the Stuart Shelf and Mt Woods domains in its own right with two granted tenements and three further applications pegged. Straits is currently in negotiations with the Arabunna Peoples Native Title Claim Group with respect to entering into a Native Title Mining Agreement for Exploration in accordance with Part 9B of the South Australian Mining Act.

**QUEENSLAND**

**Yandan (EPM8257, ML1005 and ML1096): Straits – 100%**

There is nothing significant to report for the quarter.

**Tickhill Project: Straits - 100%**

There is nothing significant to report for the quarter.

**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%**

Exploration over the last 2 years has focused primarily on developing the potential of the Serujan deposit, which is currently being mined. Serujan has now been drilled to a depth of approximately 250m over a strike length of ~ 1.8km with additional incremental gains expected along strike. Although exploration will continue in this area, focus is now shifting to other projects in the development pipeline.

During the December 2011 quarter exploration began to ramp up in the Bantian project with a view to this becoming the next development project. This group of structures is ~3km long and a series of pits is envisaged. Other projects that will form part of the near term exploration strategy include Permata and Hulubai projects, in which Straits has previously intersected mineralization and resource estimates have been completed and reported. Exploration will continue in these project areas in 2012.

In line with the progression of development projects infrastructure planning and sterilisation will become a significant component of the work programmes moving forward.

Exploration continued during the quarter at the Serujan, Bantian and Hulubai prospects with three diamond drill rigs and two RC rigs in operation.

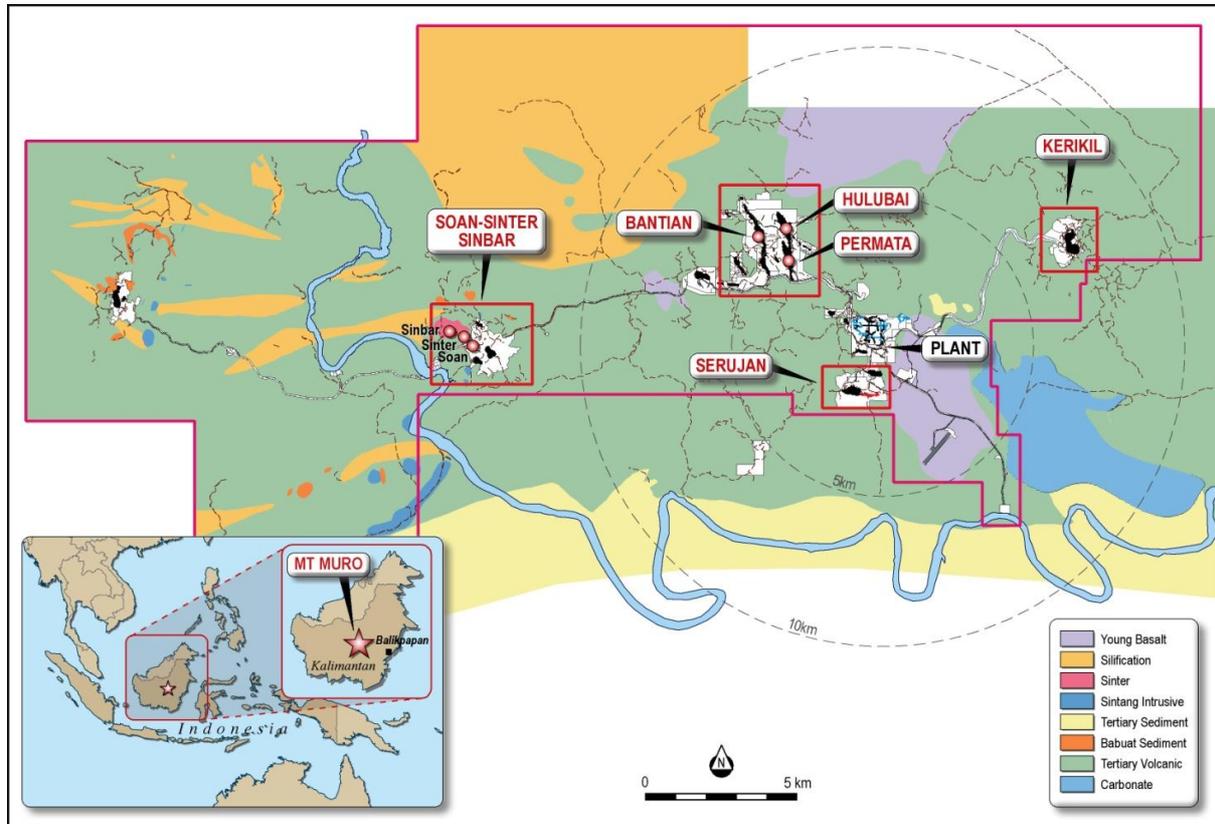
The focus of drilling at Serujan was at the Serujan Central pit area with encouraging intersections below and plunging to the west of the main mineralisation

Sterilisation for waste dump locations intersected a potential new discovery, the “Selampung Dua” vein.

At Bantian drilling focused on Blocks 2 and 3 and Luit Bawah.

A limited programme of drilling was undertaken at the northern end of Hulubai, returning encouraging results and opening the potential mineralisation to extend further to the north.

The IP programme between Bantian and Permata-Hulubai was 95% completed by the end of the quarter.



Location Map of Mt Muro

### Serujan Exploration

Exploration continued during the quarter with 17 diamond drill holes drilled for 3,726 metres. Drilling was focused on the western part of Serujan Central where mineralization was open. Encouraging diamond drill results were received late in the quarter (see table below) and indicate that the mineralization is open to the west forming a gently plunging high grade zone. In addition, this mineralization appears to be part of a new high grade vein to the footwall of the existing mineralisation.

Further drilling will continue to explore the western extension to the Serujan Central mineralization in the upcoming quarter.

### Selampung Dua Prospect

During the quarter a new discovery was made north of the Serujan pit during RC sterilization of potential waste dump locations. Two RC drill holes intersected mineralization on holes spaced 125m apart. The mineralization was intersected approximately 30m below surface and is open to the east and down dip (see table below)

The area is located within the Serujan “corridor” and had not been subject to any prior exploration activities, yet is located within 900m from the process plant.

Late in the month diamond drilling was undertaken to confirm the RC drill intersections. Two drill holes intersected the mineralized structure and results are pending.



### Significant Drill Assays from Serujan Project During the December Quarter<sup>1</sup>

#### Serujan Central Project

HOLE	East***	North***	RL	Dip	Azim	From (m)	To (m)	Interval (m)*	Au Eqv ppm**	Au ppm	Ag ppm
CEDH146	212678.0	9925982.3	88.97	-61	180	166.5	170.4	3.9	3.9m @ 18.84	7.50	521.7
CEDH147	212575.5	9925951.6	80.76	-50	180	184.2	190.7	6.5	6.5m @ 3.62	1.53	95.8
CEDH149	212524.1	9925934.1	78.41	-53	180	135.1	148.3	13.2	13.3m @ 15.21	10.36	223.2
CEDH150	212524.1	9925934.1	79.04	-64	189	120.9	122.6	1.7	1.7m @ 32.84	24.72	373.4
CEDH152	212550.7	9925925.5	79.36	-72	180	158.4	167.6	9.2	9.2m @ 5.76	6.99	27.2

#### Selampung Dua Prospect

HOLE	East***	North***	RL	Dip	Azim	From (m)	To (m)	Interval (m)*	Au Eqv ppm**	Au ppm	Ag ppm
SNRC007	214141.9	9926269.0	206.86	-70	180	60	79	19	19m @ 13.17	5.66	386.7
SNRC011	214036.2	9926314.8	164.06	-60	180	44	62	18	18m @ 3.61	1.81	82.8
						70	96	26	26m @ 5.12	2.35	127.1

Assay results > 0.5 g/t AuEq, internal waste 3m and minimum interval 3m, except where noted

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

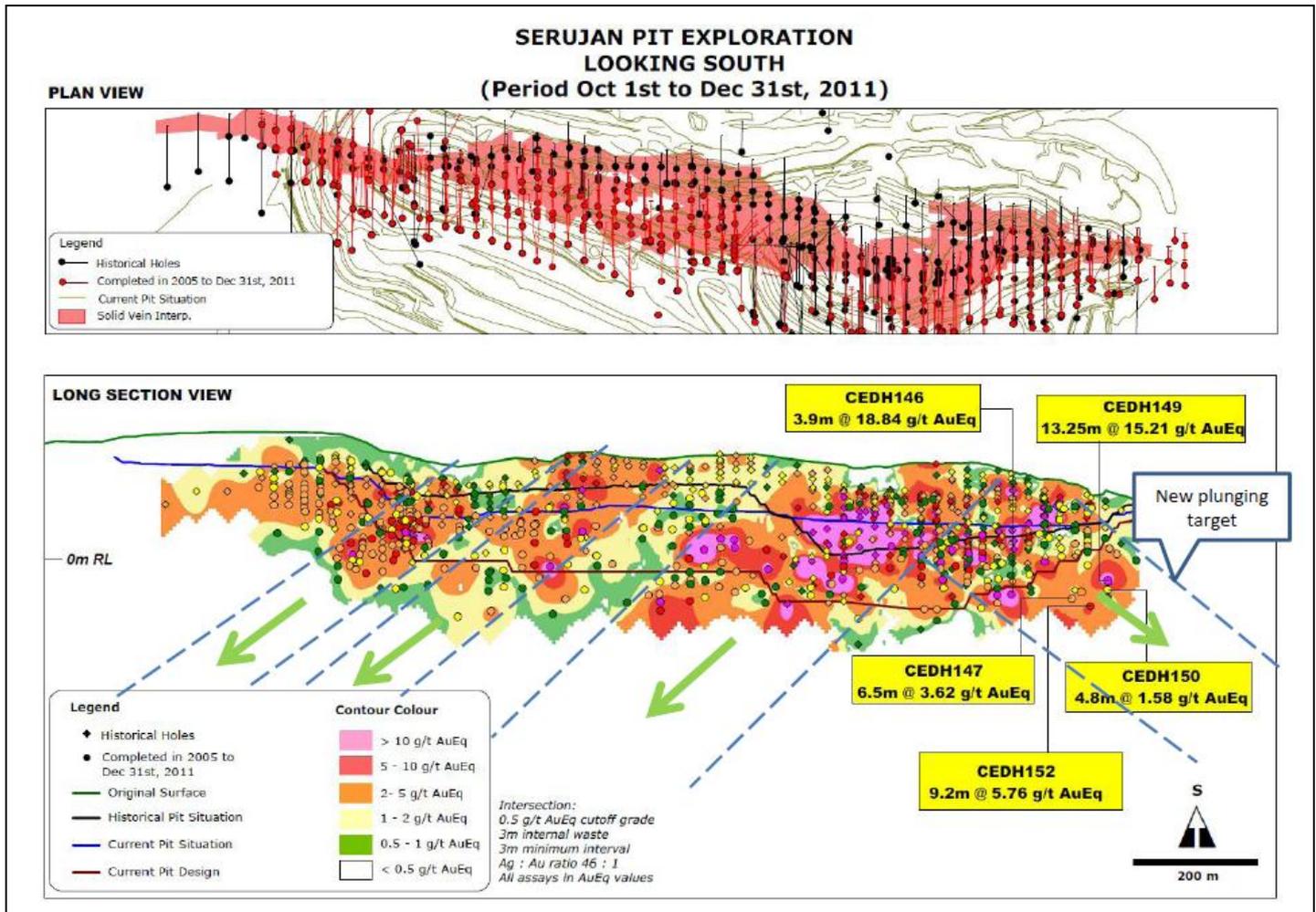
\*\*Gold Eq values calculated using a \$US1,300 and \$US28 price ratios (Gold Eq = Gold + Silver/(1,300/28)).

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 91% and Silver from 65 to 80%.

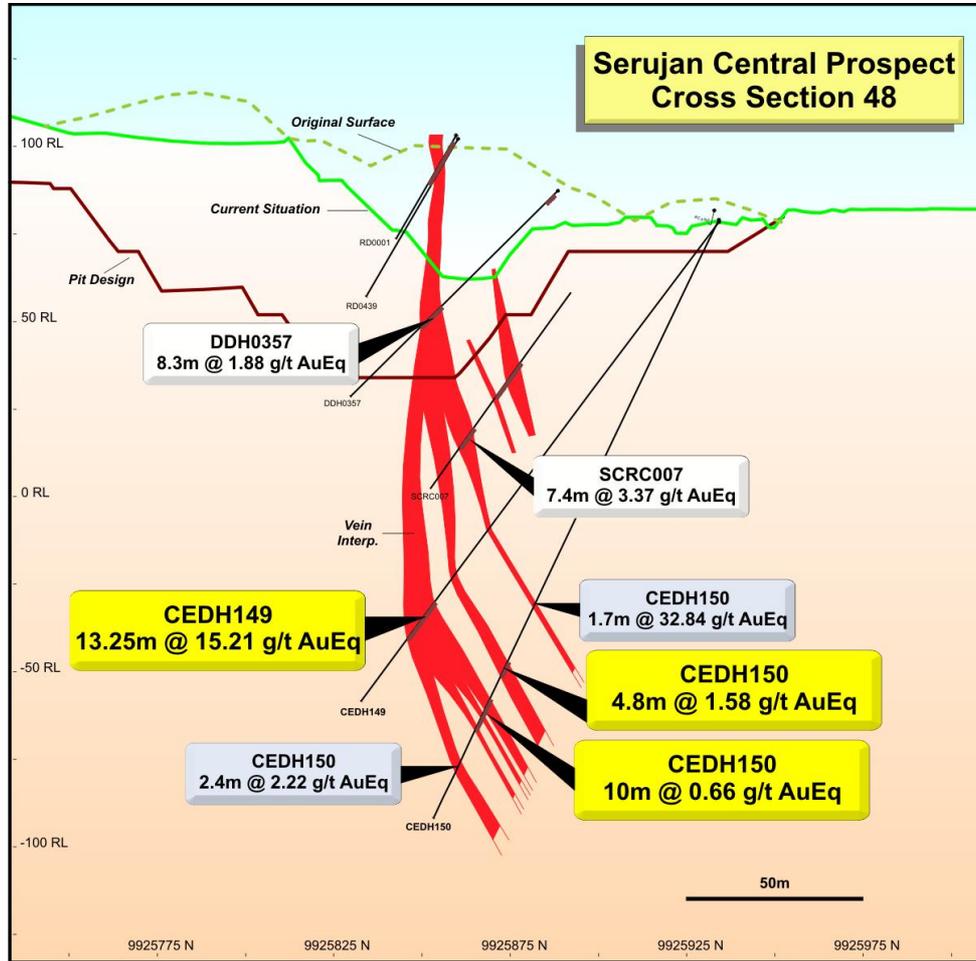
\*\*\*Coordinate system is WGS84 Zone 50 Southern Hemisphere

SNRC= RC drill hole. CEDH=Diamond drill hole.

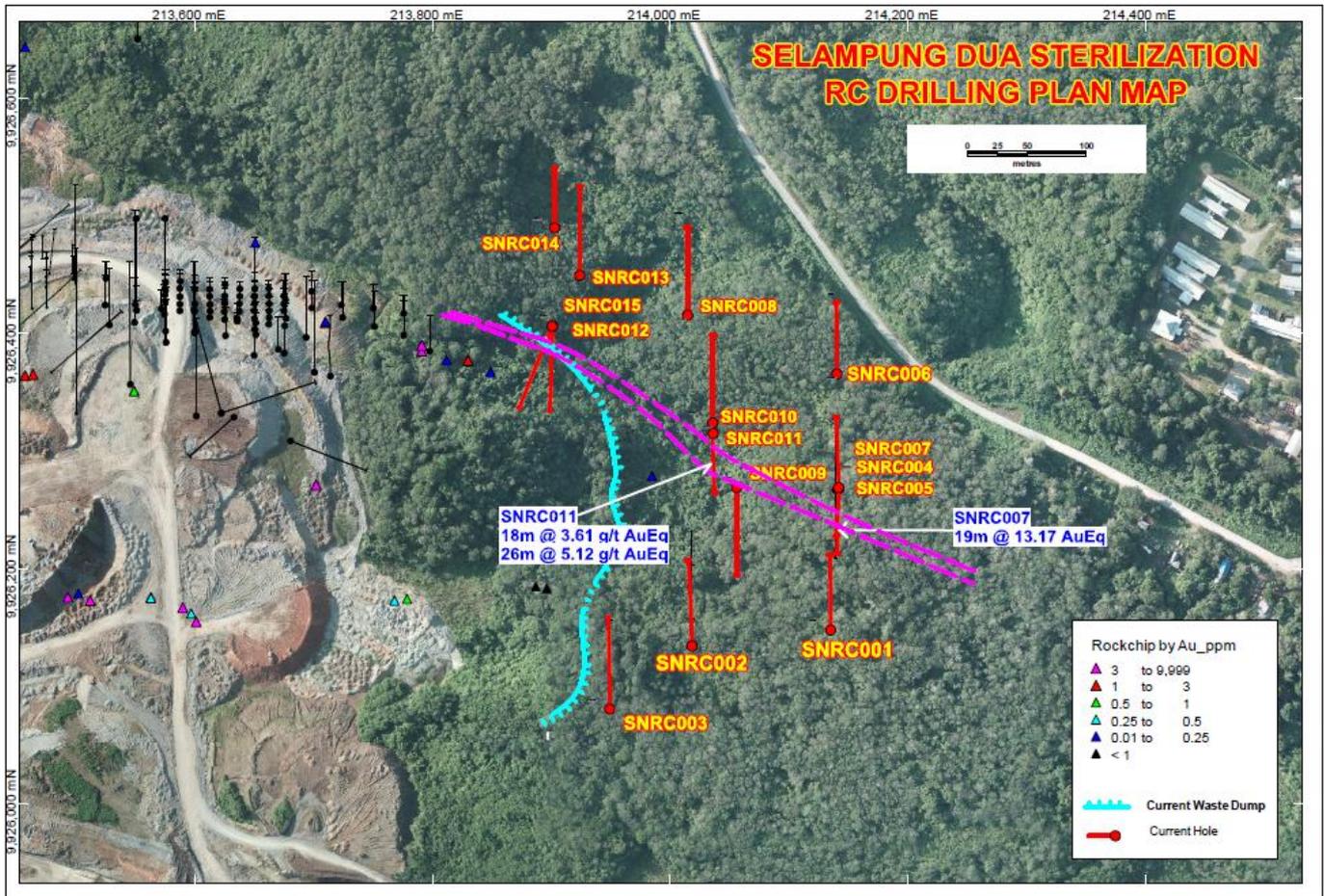




### Long Section through Serujan highlighting significant results for the quarter



Cross Section through Serujan Central



Plan view of Selampung Dua drilling

**Bantian Exploration**

Exploration continued during the quarter with 66 drill holes completed for 9,393m at Bantian and including Luit Bawah.

Drilling focused on Block 2 and 3. At Luit Bawah drilling focused on testing depth and lateral extent of the system, which has been extended to a 500m strike length.

**Significant Drill Assays from Bantian Project during the December Quarter<sup>1</sup>.**

HOLE	East	North	RL	Dip	Azim	From (m)	To (m)	Interval (m)*	Au_Eqv_ppm**	Au_ppm	Ag_ppm
BDD031	209824.4	9930575.9	132.19	-57	90	89.6	96.2	6.7	6.7m @ 4.17	3.18	73.9
BDD032	209823.9	9930575.9	132.23	-52	60	121.2	125.4	4.3	4.3m @ 2.05	2.21	16.5
BDD033	209788.1	9930844.0	136.99	-82	90	74.7	80.0	5.3	5.3m @ 2.80	1.60	55.1
BDD039	209802.7	9930499.3	133.26	-65	90	98.4	109.7	11.3	11.3m @ 9.54	5.47	187.3
BDD050	209806.9	9930775.1	130.70	-65	90	76.5	80.5	4.1	4.1m @ 2.23	1.49	34.2
BRC268	209702.4	9931034.1	155.48	-66	62	118.0	125.0	7.0	7.0m @ 3.81	3.35	43.4
LBD027	209298.6	9930448.0	128.57	-58	72	57.0	58.2	1.2	1.2m @ 15.19	13.10	96.0

Assay results > 0.5 g/t AuEq, internal waste 5m and minimum interval 5m

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

\*\*Gold Eq values calculated using a \$US1,300 and \$US28 price ratios (Gold Eq = Gold + Silver/(1,300/28)).

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

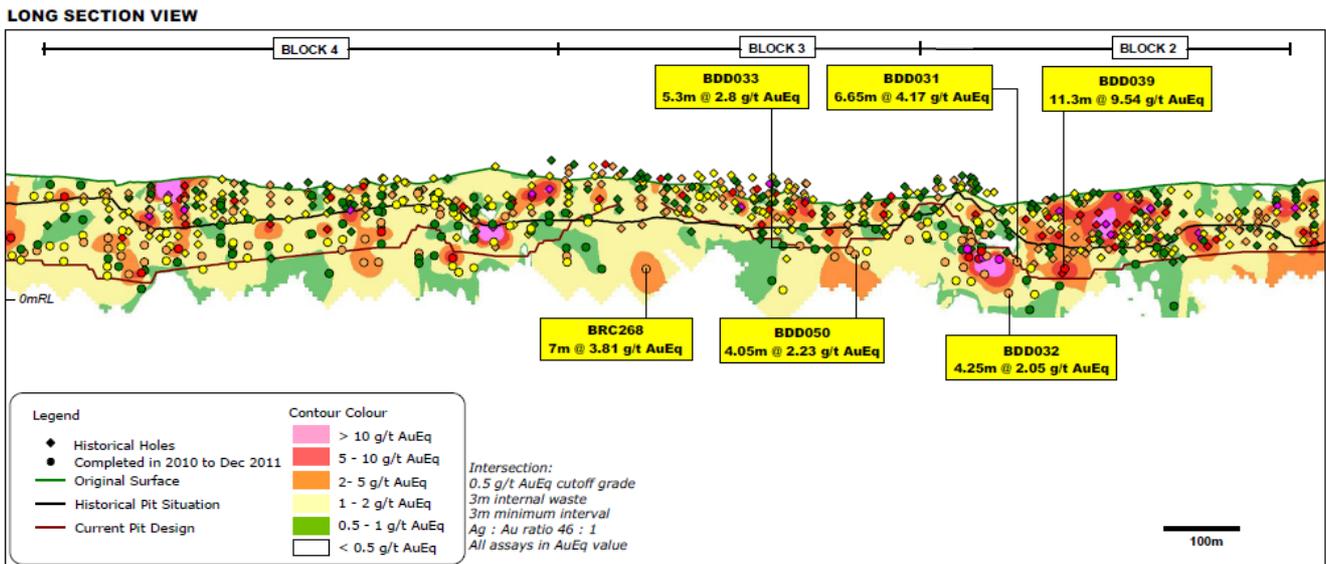
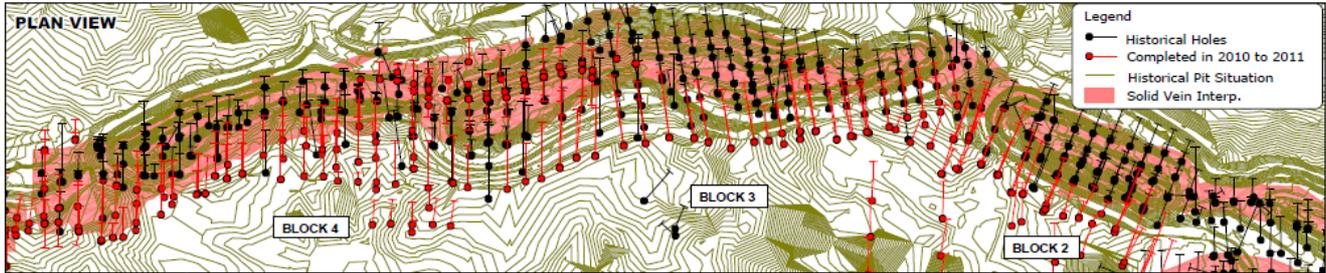
Current and Historical Metallurgical recoveries for Gold range from 90 to 91% and Silver from 65 to 80%.

\*\*\*Coordinate system is WGS84 Zone 50 Southern Hemisphere

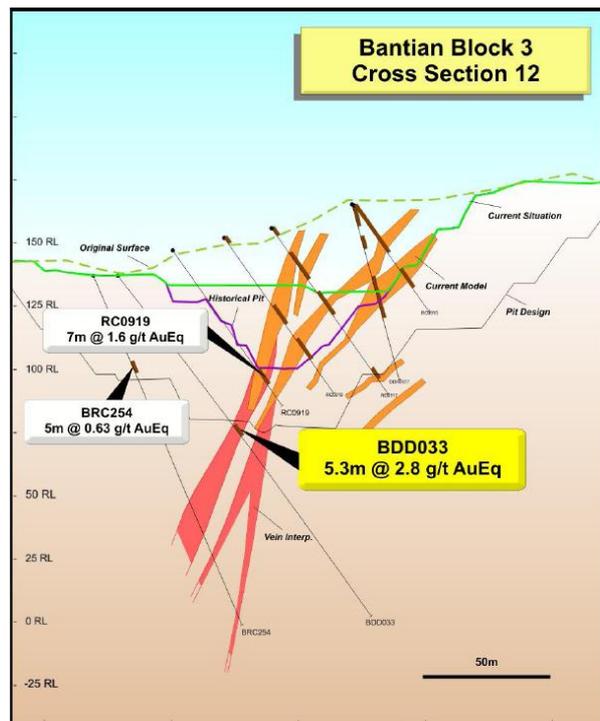
...RC= RC drill hole. ...DD=Diamond drill hole.



### BANTIAN PIT BLOCK 2 - 3 - 4 EXPLORATION LOOKING NORTH EAST (Period Oct 1st to Dec 31th, 2011)



Long Section through Bantian highlighting significant results for the quarter



Cross section through Bantian



## Corporate

### Cash & Debt

At the end of December 2011, the Straits Group cash resources totalled A\$36.7 million (includes US\$18 million). Of this, approximately A\$11 million is restricted cash.

Straits had investments of approximately A\$22 million in listed companies.

At the end of the December 2011 quarter, Straits had debt of A\$123 million. This included a Standard Chartered Bank (SCB) loan of US\$83.2 million, SCB working capital facility of US\$15m, J.P. Morgan loan of US\$10 million, and the hire purchase of mining equipment.

In addition Straits has a silver pre-payment facility to Credit Suisse for US\$50 million.

### Tritton Offtake Restructuring and Financing

In December 2011 Straits finalized the restructuring of its Tritton Copper Mine offtake agreement with J.P. Morgan Metals & Concentrates (formerly known as Sempra Metals & Concentrates) (“J.P. Morgan”).

Under the agreement, in exchange for an upfront cash payment of US\$98 million (based on the forward copper price at the time of settlement), J.P. Morgan agreed to a termination of the old offtake agreement, and a new offtake agreement was entered into for all copper concentrates from the Tritton mine until the end of 2013. The new contract was priced in line with the significantly lower prevailing market offtake terms for copper concentrate.

In addition, Tritton has the option within six months of signing of the agreement to terminate the new offtake agreement with J.P. Morgan effective from 1 July 2012. Straits will pay US\$9 million to J.P. Morgan should it exercise this option.

The restructuring presents the Tritton Copper Mine as a “clean” asset and has a number of benefits for the Group, including positioning Straits as an independent copper producer, optimising the Group capital structure and allowing an improved exposure to a strong copper market, that offers considerable NPV and cash flow benefits.

To finance the Tritton offtake “buy out” Straits subsidiary Tritton Resources and SCB agreed to a US\$85 million financial prepaid copper swap. The swap covers a notional volume of 16,202 tonnes of contained copper over 4.5 years. In simple terms, in exchange for receiving US\$85 million upfront, Straits will make monthly payments to SCB based on monthly notional volumes of copper and a floating copper price (see delivery schedule below). Straits has also entered into a collar arrangement covering this amount of copper with a floor price of US\$5,000/Mt and a cap of US\$15,000/Mt in respect of the same 16,202 tonnes of copper, which are the subject of the prepay. The collar

protects Tritton under a weak copper price environment, while at the same time not “overhedging” and maintaining upside to a rising copper price.

Repayment between	Copper tonnes repayment volume (at floating Cu price)
January 2012-June 2012	1,441
July 2012-June 2013	839
July 2013-June 2014	5,400
July 2014-June 2015	4,320
July 2015-June 2016	4,202
<b>Total January 2012-June 2016</b>	<b>16,202</b>

To assist Straits with the financing of the “buy out”, J.P. Morgan has also provided Straits with a US\$10 million Loan Facility. The Loan is repayable in six months from drawdown and is secured against listed company securities held by Straits, but in the event the Loan is not repaid on maturity or the amount owed is not redeemed from the security, J.P. Morgan would in that case have the option to convert the amount outstanding (if any) to shares in Straits at 80% of the 10 day VWAP.

As previously announced on 16 December 2011 the US\$98 million cash payment will be immediately expensed and treated as a cost to profit in the six months to the end of December 2011.

SCB acted as financial advisor to Straits in relation to the proposed “buy out”.

### Hillgrove

Agreement was reached during the September quarter with Ancoa NL for the sale of Hillgrove, subject to a successful capital raising and initial public offering (IPO) by Ancoa for \$40 million in cash and shares. Due to market conditions the timing of this public offering was delayed until early 2012.

### Hedging

At 31<sup>st</sup> December copper pricing has been fixed with the off take partner for one shipment, totalling approximately 2,200t for January 2012 at an average price of US\$7,800/t. As a condition of taking out the silver pre-payment facility with Credit Suisse, Straits has hedged 75,000 ounces of gold (between January 2012 and December 2014), at a gold price of US\$1,586 per ounce.



### Competent Persons Statement

1. The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled and/or reviewed by Mr Ivan Jerkovic who is a Member of the Australasian Institute of Mining and Metallurgy. 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 undertaken 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.

By Order of the Board

**Milan Jerkovic**  
Chief Executive  
24 January 2012

For further information contact:

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or go to our website at [www.straits.com.au](http://www.straits.com.au)

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