

Turnaround Strategy: *Gaining Traction*

London Mines and Money

December 2013



www.straits.com.au

Disclaimer



Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements or forward-looking information. The words “intend”, “may”, “would”, “could”, “will”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, “target” and similar expressions are intended to identify forward-looking statements. These statements are based on certain factors and assumptions and while Straits considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are given only as at the date of this release and Straits disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Competent Person Statement for Mineral Resources and Drilling Results:

The information in this report that relates to Mineral Resources is based on information compiled by Byron Dumpleton, who is a member of the Australian Institute of Geoscientists. Mr Dumpleton is a contractor of Straits Resources Limited and has sufficient experience relevant to the styles of mineralisation, types of deposits 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.

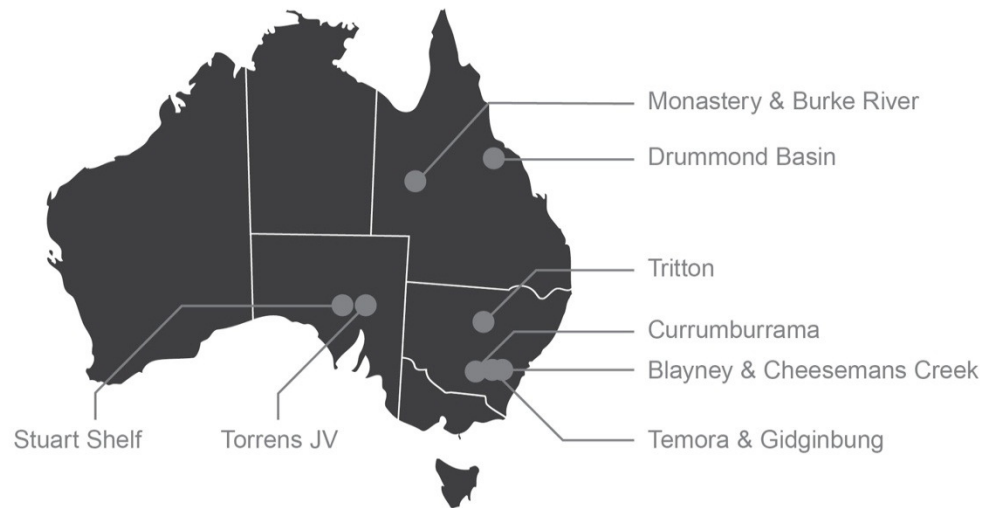
The information in this report that relates to Ore Reserve estimates is based on information compiled by Ian Sheppard, who is a member of the Australasian Institute of Mining and Metallurgy. Ian Sheppard is a full-time employee of Straits Resources Limited and has sufficient experience relevant to the styles of mineralisation, types of deposit under consideration and to the activity which he has undertaken 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 Sheppard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Investment Proposition



- An established, Australian copper producer
- New Board and Senior Management with proven track record in corporate and operational turnarounds

Exploration



- Restructuring of the Straits business well advanced and delivering results
- Three consecutive quarters of improved performance (production and cost) at flagship Tritton Copper Operation
- Value proposition with clear share price growth potential

Corporate Overview



Board of Directors

- Andre Labuschagne Executive Chairman
- Alastair Morrison Non-executive Director
- Michele Muscillo Non-executive Director
- Mike Menzies Non-executive Director

Executive Management

- Rob Brainsbury Chief Financial Officer
- Ian Sheppard Chief Operating Officer

Capital Structure	
ASX Code	SRQ
Ordinary Shares	1.164bn
Options & Performance Rights	Nil
Share Price (@ 26 Nov '13)	0.8¢
Market Capitalisation	\$9.31M
Cash & Receivables (@ 30 Sep '13)*	\$29M
Borrowings (@ 30 Jun '13)	\$157.7M

Major Shareholders	
Standard Chartered Private Equity Ltd	18.4%
Glencore Finance Ltd	11.3%
Baker Steel Capital Managers	9.4%
Top 20	74.3%

*Excludes Mt Muro

'Difficult decisions' have been taken, benefits starting to accrue:

1. Debt position improving:

- Debt reduced since 30 June 2013 by ~\$28M
 - Mt Muro silver prepayment facility (A\$34.9M) closed out through cash payment (US\$7.5M) and convertible notes (US\$7.0M) issued
- Copper swap facility restructured - repayment profile to be extended to 5 years

2. Operations transitioned to cashflow positive:

- Mt Muro gold mine (Indonesia) placed on care and maintenance (divest or close) – cash 'bleed' stopped
- Reliable performance at Tritton - result of new management, focus on improving maintenance and operations planning practices
- Tritton production stabilised and achieving record results

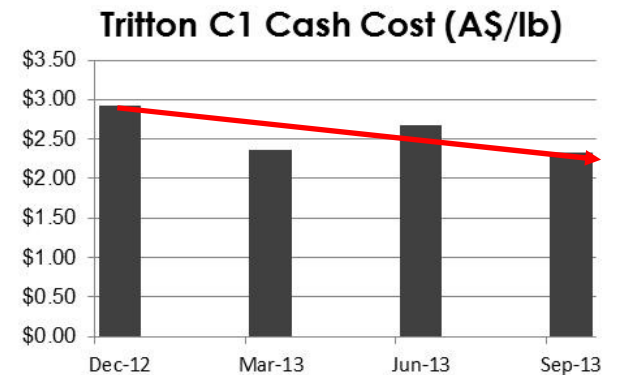
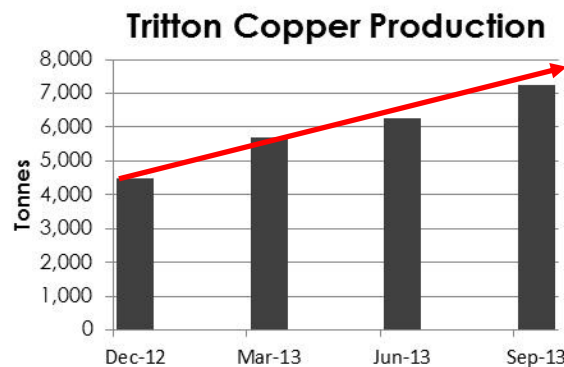
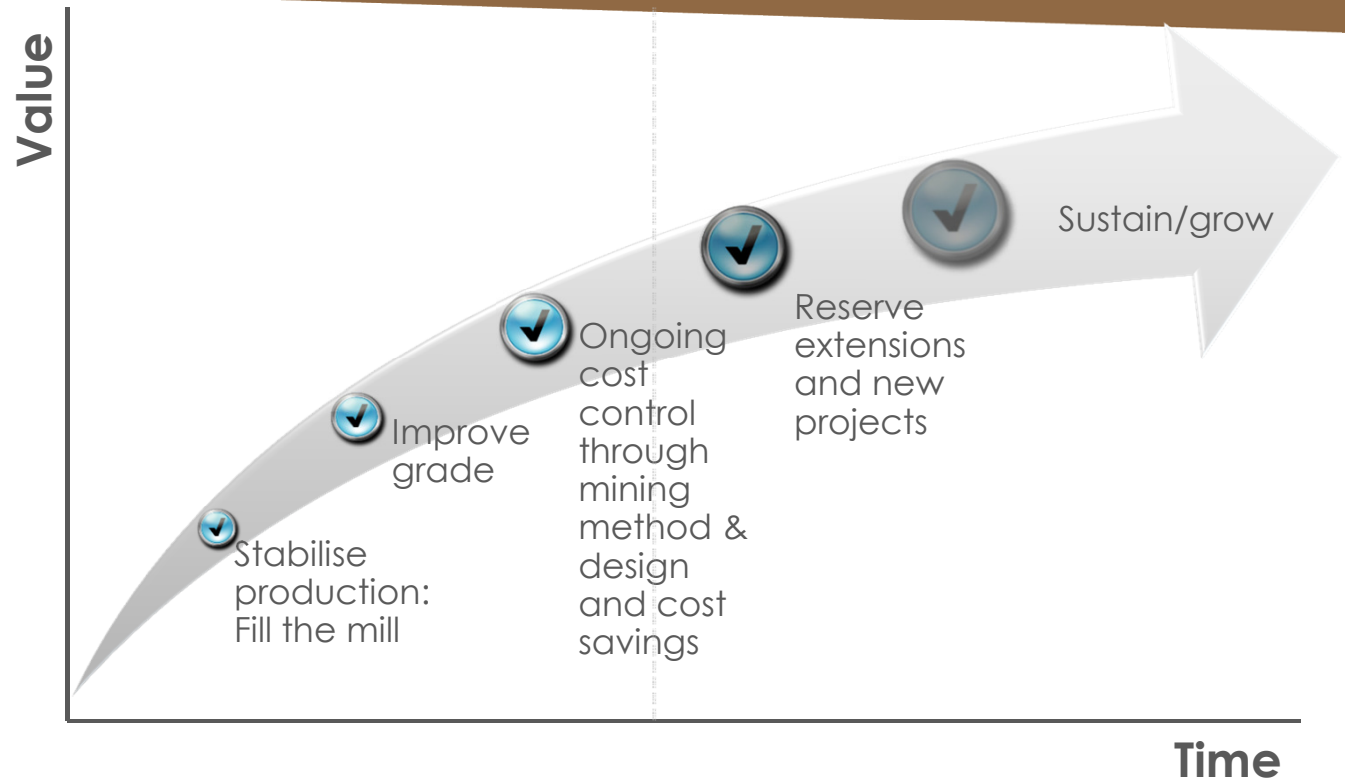
3. Rightsizing complete:

- Sale of non-core assets: Hillgrove antimony/gold operation and plant for \$37.1M, Stuart Shelf exploration assets for \$2.2M
- Corporate head office reduced from ~50 staff to 8 and relocation to Brisbane for cost saving and proximity to operations
- Strategy developed for non-core assets

Tritton Operations: Strategy



- New management team
- Renewed focus on planning, people and maintenance
- Legacy bottlenecks addressed
- Operations setting new records for U/G mine production, processing plant throughput and copper production



Tritton Operations: 25,000t copper production



- Located near Nyngan in NSW
- Reserve - 7.3Mt @ 1.7% for 118kt copper
- Resource – 25,530kt @ 1.7% for 435kt copper
- 7+ year mine life
- Add 50,000 tonnes of JORC compliant copper reserves from known projects
- Continue Tritton resource to reserve conversion (leverage established infrastructure)
- Good opportunity for oxide project to restart

Tritton Operations: 2 underground mines



- **Tritton underground mine:
1-1.2mtpa @ 1.9% Cu**
- **North East / Larsens:
200-300ktpa @ 1.6% Cu**

Tritton Operations: 1.5 mtpa plant



- Running above capacity
- 94% recovery
- 24% copper concentrate grade

Tritton Operations: Good infrastructure



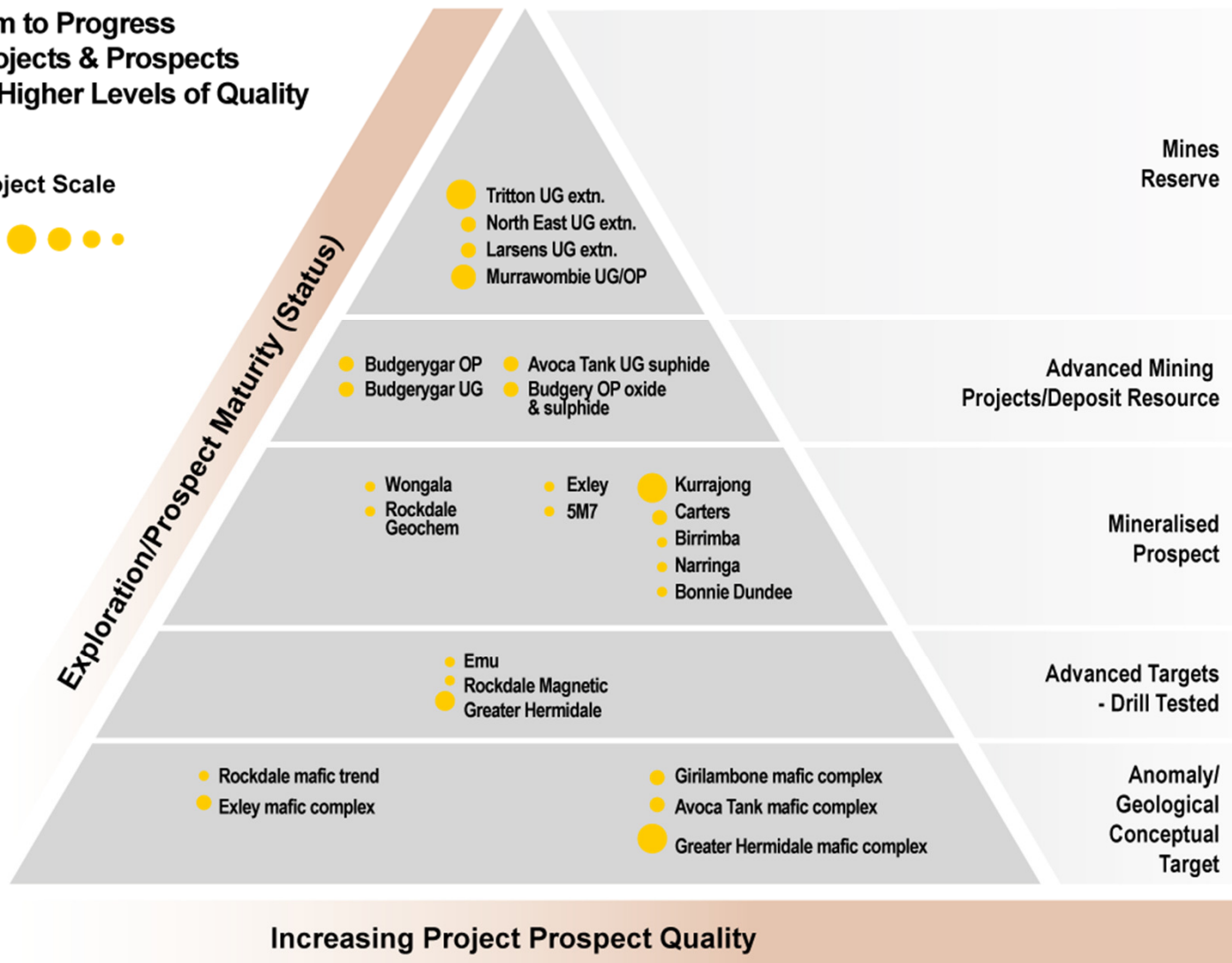
- Mobile fleet workshop
- Paste fill plant for Tritton U/G
- Road Haulage

Tritton: Resource Development Pipeline

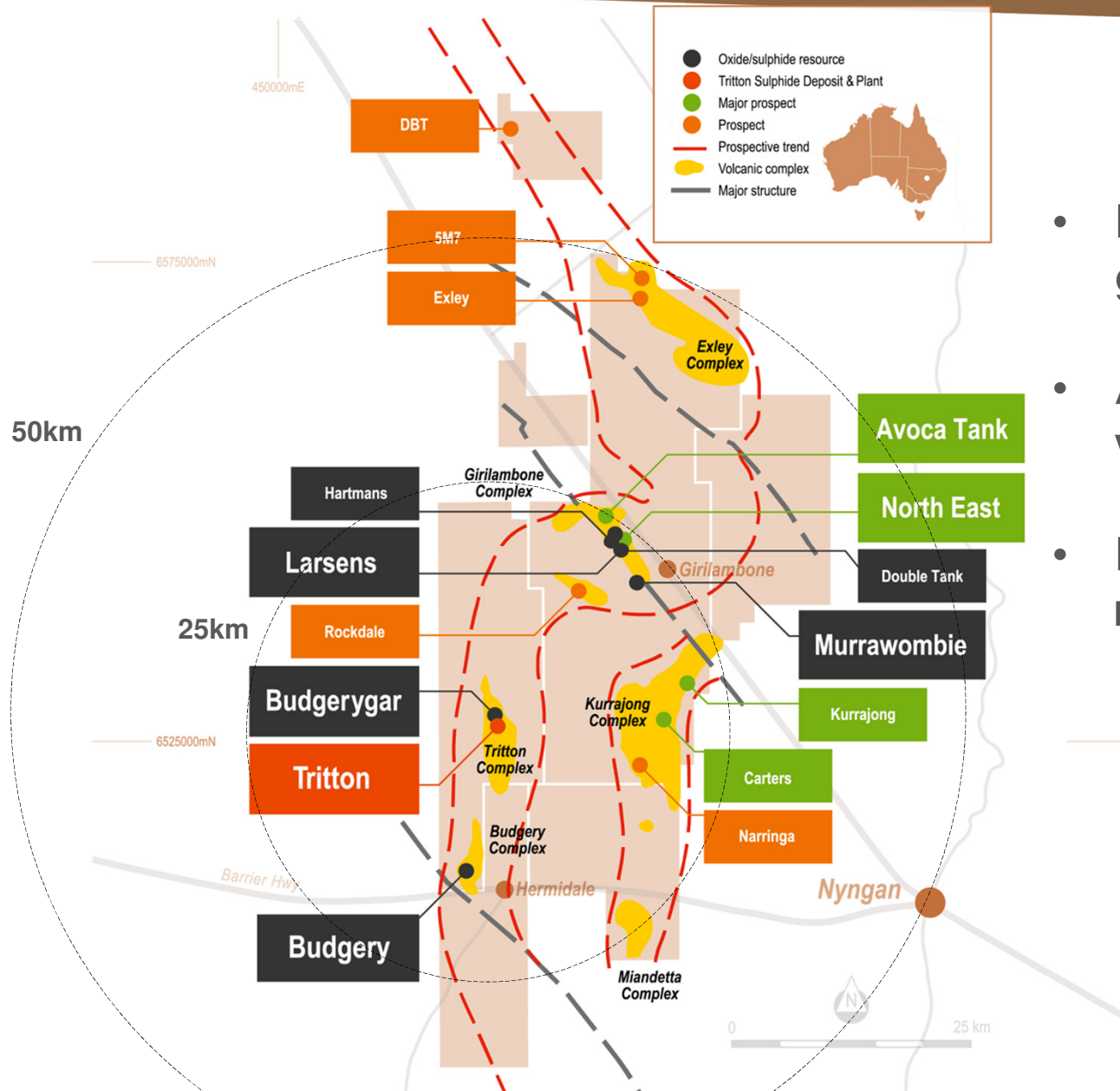


Aim to Progress
Projects & Prospects
to Higher Levels of Quality

Project Scale



Target Reserve Development Pipeline

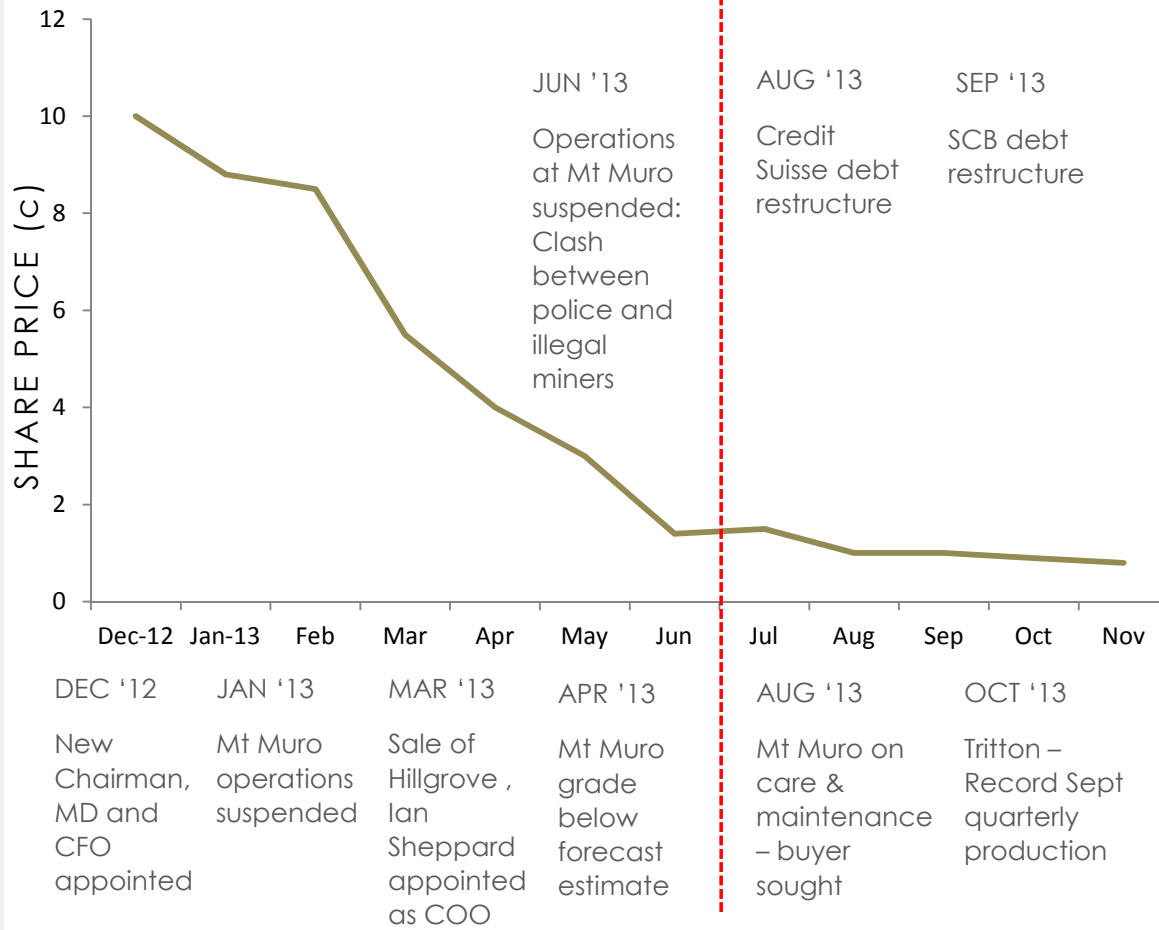


- Highly prospective geological region
- All current resources within 25km radius
- Potential for significant reserve increase

Value 'Disconnect'



- Snapshot
DEC '12
- Market cap ~A\$110M
 - ✗ No clear operational focus
 - ✗ 'Heavy' corporate structure
 - ✗ Operations Cashflow NEGATIVE
 - ✗ Operational issues at Mt Muro and Tritton
 - ✗ Large debt position



- Snapshot
NOV '13
- Market cap ~\$A10M
 - ✓ Strong team
 - ✓ Clear focus: copper assets
 - ✓ Lean corporate structure
 - ✓ Operations Cashflow POSITIVE
 - ✓ Record production at Tritton
 - ✓ Debt reducing

Strategy for FY2014



- **Focus on Production** – Target ~25,000 tonnes of copper (FY2013: ~23,000t)
- **Finalise exit of Mt Muro** - Divestment or closure of Mt Muro gold mine
- **Debt Restructure** - Continue to improve debt position
- **Rightsizing** - Accelerate value extraction from non-core assets





Straits

ASX:SRQ

Thank you