



STRAITS RESOURCES LIMITED (ASX: SRQ)

STRAITS FINANCIAL RESULTS FOR THE 5 MONTH PERIOD TO 30 JUNE 2011

Straits was formed through the de-merger of our metal assets from diversified resource company Straits Resources Limited (renamed International Coal Holdings Ltd), and was listed on the Australian Stock Exchange on 2 February 2011 (ASX Code: SRQ).

For the FY ended June 2011 Straits reported a net loss after tax of \$19 million. The result was impacted by a number of key factors, including:

- A foreign exchange loss of \$1.1 million;
- A mark to market valuation reduction of held for trading investments of \$3.9 million;
- Income tax benefit of \$12.9 million not recognised. Recognition would have resulted in the net loss reducing to \$6.1 million;
- Transition to owner operated mining at Tritton;
- The recapitalisation plan and redevelopment of the Seruan open pit at Mt Muro;

The net loss for the period is inclusive of the following:

Profit/(loss) A\$m	5 months to 30 June 2011
Tritton	(4.8)
Mt Muro	(0.4)
FX Losses	(1.1)
Investments held for trading	(3.9)
Administration and support	(3.6)
Other items	(2.7)
Loss from ongoing activities	(16.5)
Discontinued operations	(2.5)
Total Profit/(loss)	(19.0)

Both Tritton copper mine and Mt Muro gold mine were undergoing significant recapitalisation programmes during the reporting period (\$35m was invested as capital and exploration in operations). Both operations produced positive EBITDA for the period (\$1.7m and \$0.9m respectively) and are on track to deliver positive earnings for the Group in FY 2012.

Positioned for Growth

Following the successful listing in February Straits is primarily focused on realising the full potential of our Tritton copper mine in NSW and Mt Muro gold mine in Indonesia. Both mines are on track to deliver sustainable production rates over the long-term.

The capital and site works at Tritton copper mine are mostly complete to maintain a minimum 25,000 tpa copper production rate, and successful exploration has increased the reserve base to approximately seven years as at June 2011 (172,000 tonnes of copper).

At the Mt Muro gold mine initial capital works are in progress for a significant production increase over the next 12 months and exploration has increased the resource base by 74% in FY 2011.

Straits continues to aggressively explore the existing mine and greenfield sites and has a world class portfolio of greenfield exploration assets through the Temora and Blayney exploration tenements in New South Wales, and a number of exploration projects in South Australia, including the right to earn 70% of the Torrens project. The recent announcements of massive sulphide drill hole intersections at the Avoca Tank prospect near Tritton hold the potential for a new ore body discovery.

Straits continues to di-vest non core assets and post the year end announced that it had divested Magontec to Advanced Magnesium Limited and more recently reached an agreement with Ancoa NL for the sale of the Hillgrove antimony project, subject to a successful capital raising and initial public offering (IPO) by Ancoa, for \$40 million in cash and shares.

Straits retains a strong balance sheet to support existing operating assets and to fund exploration. At the end of June 2011, Straits had cash (including restricted cash) and listed investments of \$74 million.

For further information, please contact either:

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

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

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 and South Australia.