



Straits

Straits Resources Limited

Financial Results

6 month Period Ending 31 December 2011

28 February 2012



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Group Performance Summary

POSITIONED FOR GROWTH

- Operating revenue of \$146.5 million for the period
- Underlying EBITDA from mining operations of \$13.8 million
 - Tritton EBITDA of \$6.1 million
 - Mt Muro EBITDA of \$7.7 million
- Successful completion of the Tritton offtake buyout in December 2011 for \$96.9 million, expensed. This one-off restructuring cost contributed to the net loss of \$105.0 million
- Cash and Investments \$60.4 million *
 - Cash and cash equivalents position of \$24.7 million
 - Subsequent capital raising when completed is expected to contribute \$50 million before costs
- Investments in Capital, Development and Exploration of \$50 million

** Cash (includes proceeds of capital raising) and Investments at 7 February 2012 were \$94 million as per announcement of 13 February 2012, Capital Raising Presentation.*



Group Performance Summary

POSITIONED FOR GROWTH

Tritton Copper Mine - NSW

- Currently a 7 year mine life at 25,000 tpa copper production
- Mill running at approximately 75% of capacity due to limited ore sourcing from current reserves
- Targeting \$1.80 cash costs in FY13 (exclusive of TC/RCs) from improvements in productivity and costs
- Tritton is generating cash flow going forward
- Capital raising will facilitate a \$12m exploration budget at Tritton to bring Avoca Tank and other prospects into reserves quickly
- Recent high grade discovery at Avoca Tank near Tritton has the potential to provide ore feed to take the mill to 100% of capacity (1.8mt) and reduce incremental costs
- Focus on finding extensions to reserves around the current mining area at North-East (including Larsens & Double Tanks)
- Capital raising will also allow the last payments totalling US\$19m to J.P. Morgan to remove any encumbrance on the copper off take
- The removal of the onerous copper off take agreement reduces the Copper Treatment & Refining charge from 35% of the copper price to approximately 5% from 1 January 2012



Group Performance Summary

POSITIONED FOR GROWTH

Mt Muro Gold Mine – Indonesia

- Cash flow positive in fourth quarter FY 2012 as initial pre-strip nears completion
- Targeting FY 2013 production of 100koz @ cash costs of US\$900/oz
- Cash costs will reduce as production increases, and the current plan targets:
 - reduce from current level of US\$1,400 AuEq/oz down to US\$550 AuEq/oz by plan end
 - in FY13 target cash costs are approx US\$900 and US\$10 million for ongoing waste stripping
 - average cash costs of US\$775 AuEq/oz over the 6 year plan (approx US\$915 inclusive of capitalised waste)
- Increase in reserves to 734koz AuEq announced on 6 February 2012. This results in a 6 year mine life at +100 koz AuEq production from FY 2013 at average cash costs of US\$775 AuEq/oz (average total costs US\$915/oz)
- Capital raising will allow exploration budget to be increased to approximately US\$1m per month to drive further reserve/resource upgrades



Group Performance Summary

SIGNIFICANT ACHIEVEMENTS IN THE LAST 12 MONTHS

- De-merger of the metal assets & subsequent sale of coal assets (shareholders received A\$1.72 per share) & metal assets listed as new company renamed Straits Resources
- Tritton copper & Mt Muro gold mines recapitalised
- Finalised buy out & restructuring of Tritton's Cu offtake agreement
- Significant reserve increases at Tritton & Mt Muro operations
- New Cu discovery at Avoca Tank
- GfE & Magontec sold
- Goldminco minorities bought out

Straits is now a much simpler company.

Financial Overview





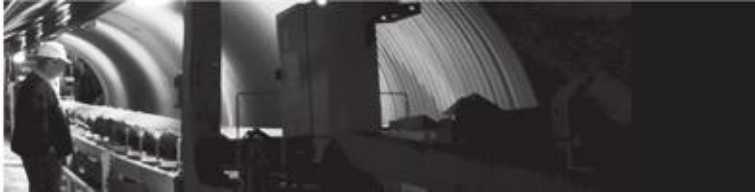
Financial Overview

INCOME STATEMENT

A\$M's	Dec-11
Net Profit/(loss) after Tax	
Base metals - Tritton (including buy out)	(98.9)
Precious metals - Mt Muro	6.0
FX gain	2.4
Investments held for trading	(5.0)
Administration and support	(7.8)
Other items	(0.4)
Net loss from operating activities	(103.7)
Loss from discontinued operations	(1.3)
Profit/(Loss) after tax	(105.0)
Profit/(loss) is attributable to:	
Owners of Straits Resources	(105.0)

Deferred Tax Asset not recognised:

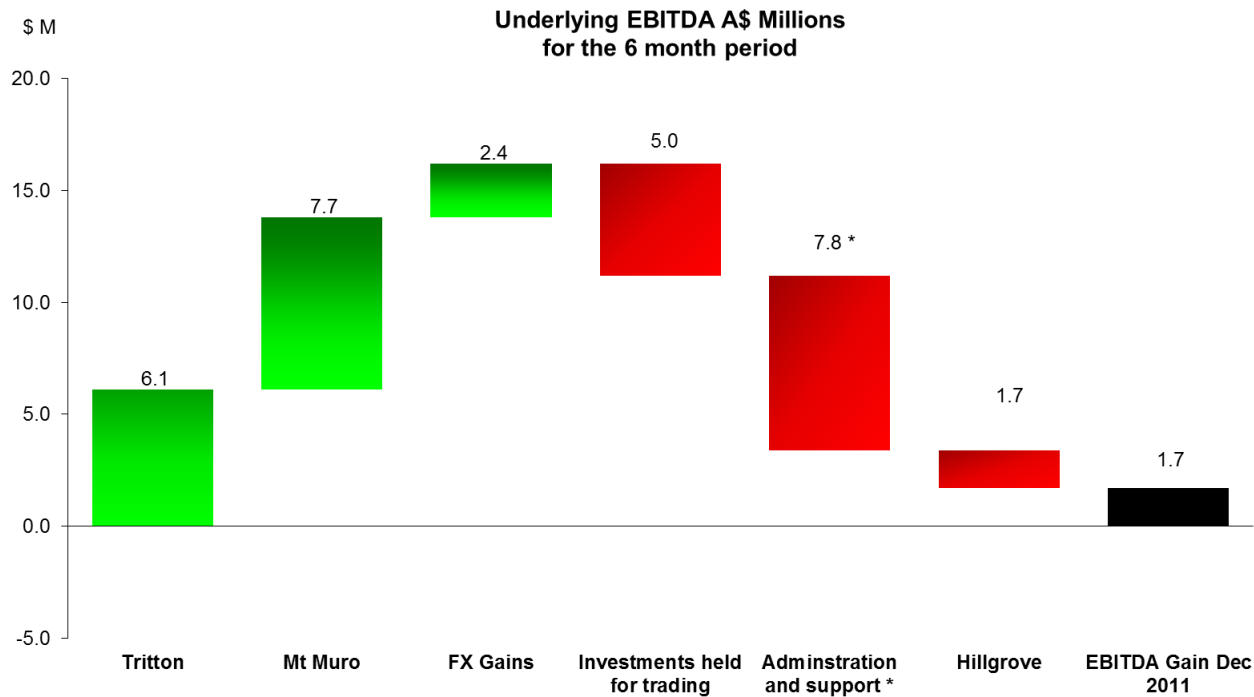
The Company has deferred the recognition of a tax asset totalling \$35.3M and associated income tax benefit in respect to tax losses of \$117.5m generated during the half year, mainly in relation to the buy out of the J.P. Morgan copper offtake agreement. Australian Accounting Standards impose a stringent test for the recognition of a deferred tax asset where there is a history of recent tax losses. The company has deferred the recognition of any further tax asset for the Australian tax group until a return to taxable profits has been demonstrated.



Financial Overview

UNDERLYING EBITDA

- Mining operations generated positive underlying EBITDA of \$13.8 million



Underlying EBITDA \$m	YTD Dec 2011
Tritton	\$6.1
Mt Muro	\$7.7
Underlying EBITDA from mining activities	\$13.8
FX gains	\$2.4
Investments held for trading	(\$5.0)
Administration and support	(\$7.8)
Underlying EBITDA continuing operations	\$3.4
Hillgrove - discontinued operations	(\$1.7)
Total Underlying EBITDA	\$1.7

- Financial results are reported under International Financial reporting Standards (IFRS). Underlying EBITDA is provided to assist readers to better understand the underlying consolidated financial performance.
- Underlying EBITDA from mining activities excludes the J.P. Morgan buyout of (\$96.9m) and the time value on the copper collar of \$2.2m

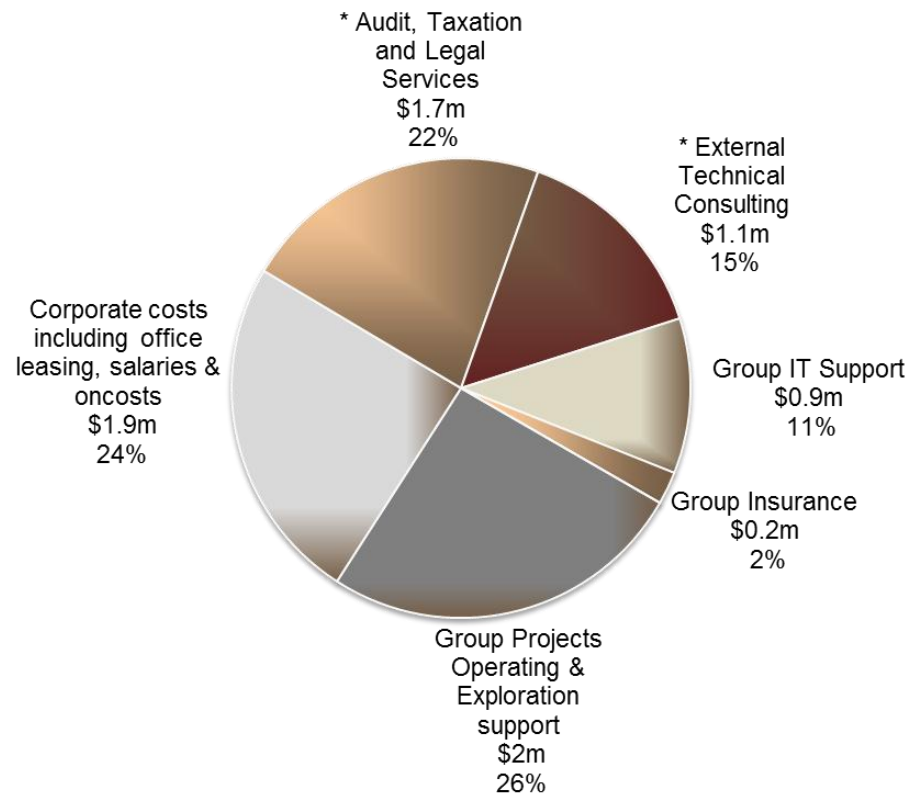
* See *Financial Overview Administration and Support*



Financial Overview

ADMINISTRATION AND SUPPORT

- Administration and support underlying EBITDA of (\$7.8 million) includes:



* A large portion of these costs primarily relate to the J.P. Morgan contract restructuring work undertaken over the last 6 months.

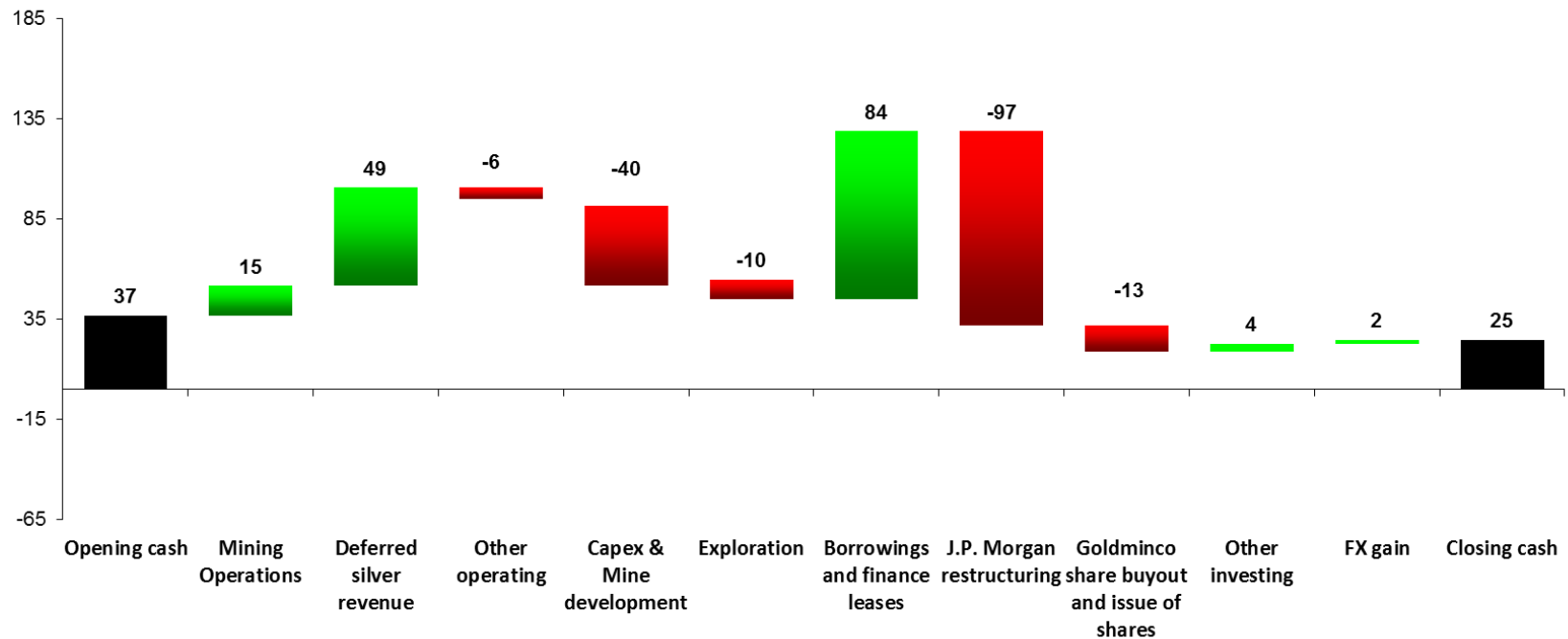


Financial Overview

CASHFLOW

- \$15 million positive operating inflow from mining operations
- \$50 million of capital, mine development and exploration outflows for the half year ending December 2011

Group Cashflow Movement A\$m

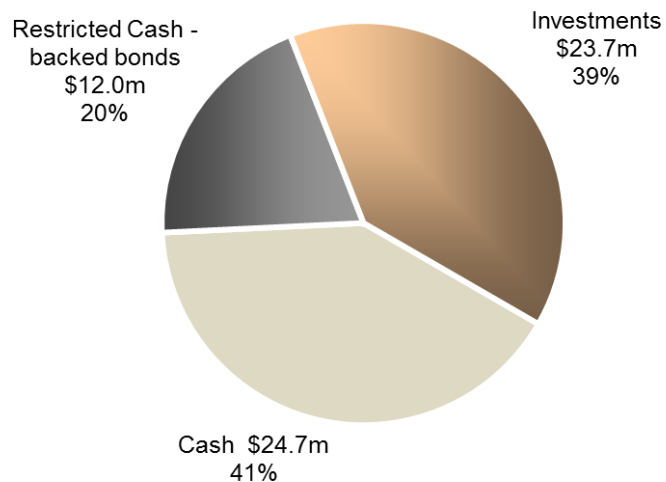




Financial Overview

CASH, INVESTMENTS & BORROWINGS

Cash and liquid Investments \$60.4m



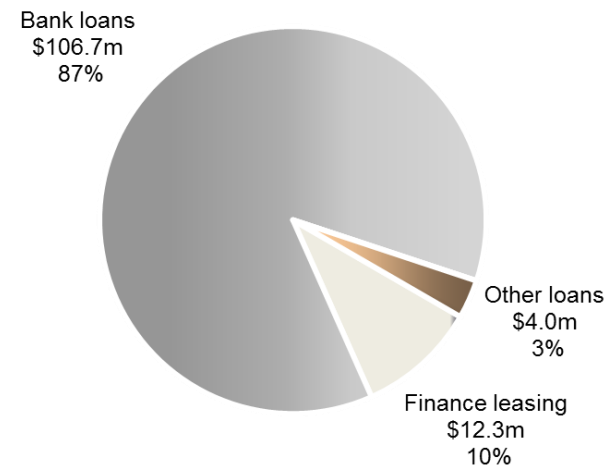
Cash and restricted cash

- Approximately 49% of cash held in USD
- \$12.0m relates to cash backed bonds at ANZ and Mandiri Bank Indonesia. (Classified as receivables)

Investments

- The Group has minor investments in a few listed resource companies mainly as a result of asset sales in exchange for equity

Borrowings \$123.0m



Bank Loans

- Standard Chartered working capital facility \$14.7m
- Standard Chartered financial prepaid copper swap \$81.4m
- J.P. Morgan corporate facility \$9.8m
- \$0.8m Tritton NAB housing facility

Hire Purchase and Finance Leases

- Primarily utilised to acquire mining equipment at Tritton \$12.3m

Other Loans

- \$1.4m Insurance premium funding
- \$2.6m Mt Muro coal fired power station



Financial Overview

BALANCE SHEET

ASM's	Dec-11	Notes
Assets		
Cash	24.7	Approximately 49% of cash held in USD. 88% held in Australian based institutions with A ratings or better.
Receivables	66.6	Includes \$12m of cash backed performance bonds.
Inventory	19.7	Tritton and Mt Muro unfinished and finished product stockpiles.
Other Financial Assets	23.7	Investments held for trading.
Derivative financial instruments	7.4	MTM copper and gold derivatives.
Assets classified as held for sale	17.9	Gross asset value of Hillgrove mine \$14.6m and equipment held for sale \$3.3
Tax assets	17.8	Net deferred tax asset of the continuing operations.
Property, plant and equipment	43.0	Book value of the Groups assets held by subsidiaries.
Mine properties	89.3	Capitalised mining costs at Tritton and Mt Muro mines.
Exploration	24.5	Exploration at Tritton, Mt Muro and Regional exploration.
Total assets	334.6	
Liabilities		
Payables	48.7	Trade creditors and accrued expenses.
Interest bearing liabilities	123.0	Bank loans \$106.7m, finance lease \$12.3m and other loans \$4m
Liabilities classified as held for sale	4.3	Hillgrove Mine
Deferred revenue current	48.9	Silver pre-payment with Credit Suisse for 1.95m ounces
Provisions	20.5	Provisions for mine closure and employee related provisions.
Derivative financial instruments	0.3	MTM gold derivatives.
Non Interest Bearing Facilities	0.3	Tritton - Bogan Shire loan.
Total Liabilities	246.0	
Net Assets/Shareholders Equity	88.6	



Financial Overview – Capital and Development

SUBSTANTIAL RE-INVESTMENT INITIATIVES

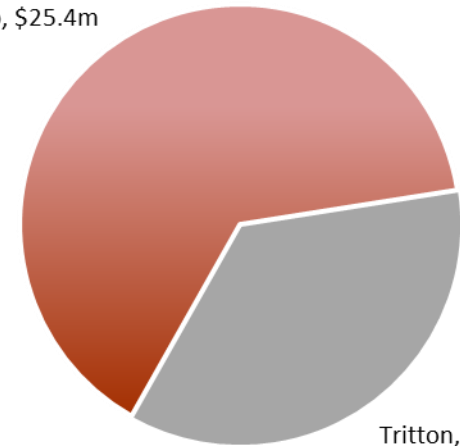
Tritton

- Continued development of Tritton underground using “Bottom-up” mining method
- North-East development continues
- Completion of paste-fill plant
- Change to owner operator

Mt Muro

- Focus on Serujan open pit development
- Minimum 6 year mine plan established

Mt. Muro, \$25.4m



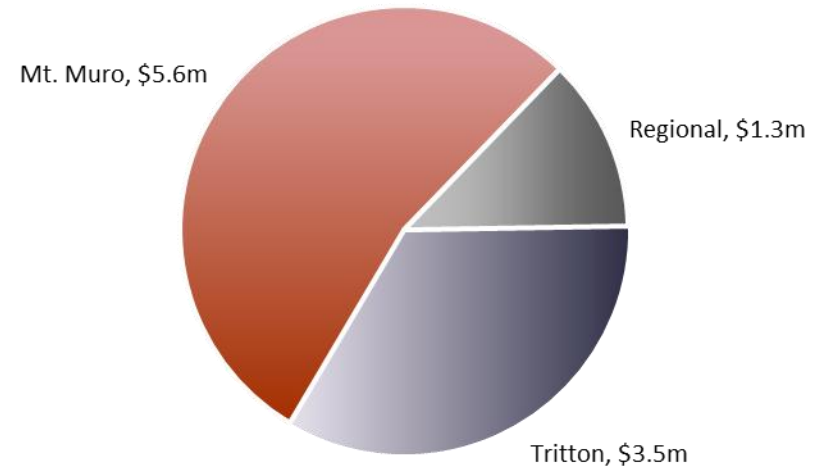
Tritton, \$14.1m



Financial Overview – Exploration

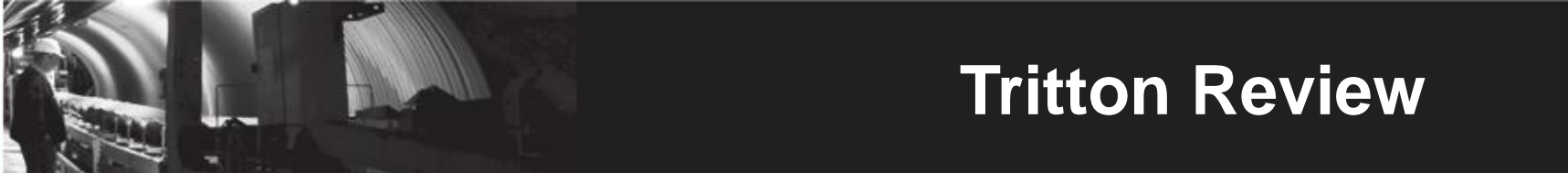
FOCUSED EXPLORATION ACTIVITY

- Exploration expenditure of \$10.4 million for the reporting period. The group continues to invest heavily in exploration throughout Australia and Indonesia.
- Significant exploration success has been achieved at our two operating mines. Tritton in NSW with the discovery of the Avoca Tank prospect close to Tritton's North-East ore body. At Mt Muro, in Central Kalimantan Indonesia, a significant resource upgrade during the year. In addition significant exploration activities have been undertaken at the Temora and Blayney projects in NSW.



Operating Review





Tritton Review

SUCCESSFULLY TRANSITIONING TO OWNER OPERATOR MINING

- Tritton stabilised at 25,000tpa copper production
- Significant investment in recapitalisation and efficiency program in FY2011/12
 - Implementation of Paste Fill
 - Change to 'bottom up' mining method
 - Change to owner operator
- Exploration success in 2011
 - 28% increase in total reserves to 172,000 tonnes of Copper
 - Resources of 29.9 Mt @ 1.6% Cu
 - Focus on near mine & regional exploration in 2012
 - Avoca Tank discovery

Strong exploration upside, focus on exploration to deliver additional reserves and resources
- Re-negotiated off take agreement, market related TC/RC's from January 2012

Production Statistics		YTD Dec 2011
Development	Metres	2,835
Ore Mined (Tritton)	Tonnes	636,538
	Grade (%)	1.98
	Cu Tonnes	636,538
Ore Milled	Tonnes	636,538
	Grade (%)	1.99
	Cu Tonnes	12,667
Recovery	%	95.6
Concentrate	Tonnes	47,683
	Cu %	25
	Cu Tonnes	12,059
Cement	Cu Tonnes	315
Total copper produced		12,375

Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	2,620	19,950	7,340	29,910
Cu (%)	2.5	1.5	1.4	1.6

Reserves	Proved	Probable	Total
Tonnes (kt)	1,670	8,730	10,400
Cu (%)	2.3	1.6	1.8
Cu recoverable (t)	37,000	135,000	172,000



Mt Muro Review

RESERVES SIGNIFICANTLY INCREASED TO OVER 734k Au EQUIVALENT OUNCES

- Plant throughput capable of 1.7 Mtpa
- Fewer working areas = stable production & lower costs
- Resources 17.9Mt @ 2.1 g/t/Au & 46 g/t Ag (2 mill oz AuEq¹)
- Reserves 515,000 Oz Au & 9.7 million Oz Ag (734k oz AuEq) *
- Exploration programme successfully increased reserves to 734,000oz AuEq *
- Minimum 6 year mine plan established at plus 100k oz per annum AuEq from FY2013 *
- Exploration – targeting depth extensions to known significant gold production structures. Structures so far only tested to relatively shallow depth

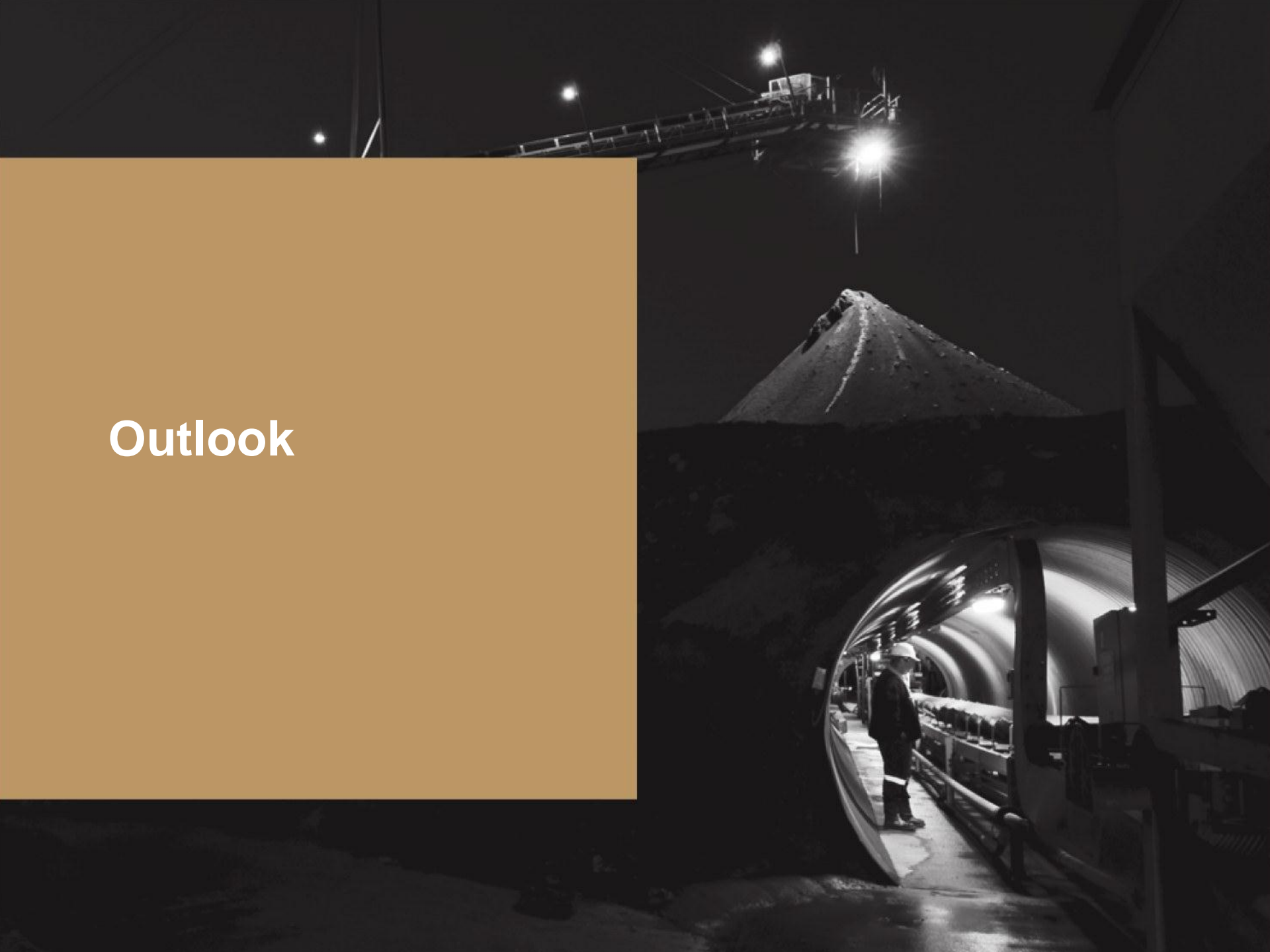
¹ AuEq calculated using US\$1300/ounce gold & US \$28/ounce silver.

* Mt Muro reserves as per announcement of 6 February 2012, CEO Presentation – Melbourne/Sydney Roadshow February 2012.

Production Statistics	YTD Dec 2011
Ore milled	404,041
Gold grade (g/t)	1.2
Silver grade (g/t)	34
Gold recovery (%)	93.2
Silver recovery (%)	69.8
Gold production (oz)	14,804
Silver production (oz)	310,953

Resources	Measured	Indicated	Inferred	Total
Tonnes (kt)	-	19,060	8,540	27,600
Au (g/t)	-	1.4	1.6	1.4
Ag (g/t)	-	43	31	39
Reserves	Proved	Probable	Total	
Tonnes (kt)	-	6,820	6,820	
Au (g/t)	-	2.5	2.5	
Ag (g/t)	-	59	59	
Au (oz)	-	515,000	515,000	
Ag (oz)	-	9,680,000	9,680,000	
Au Eq (oz)	-	734,000	734,000	

Outlook





STRAITS IS POSITIONED FOR GROWTH

- A copper and gold focussed metals mining & exploration company
- Strong capitalised production base now established
- Driving productivity and cost improvements
- World class exploration portfolio with geologically visible drill ready exploration targets
- Positioned to deliver strong repeatable earnings from two fully capitalised mines from middle of 2012
- Strong balance sheet following placement in February 2012



Competent Person Statement

Competent Person Statement for Mineral Resources and Drilling Results

The information in this presentation to Mineral Resources and Drilling Results is based on information compiled by Byron Dumpleton, who is a member of the Australian Institute of Geoscientists. Mr Dumpleton is a full-time employee of Straits Resources Limited 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.

Mineral Resources reported are inclusive of Ore Reserves.

Discrepancies in Resource Table summations may occur due to rounding.

Competent Person Statement for Ore Reserves:

The information in this presentation that relates to Ore Reserves is based on information compiled by Peter Storey, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Storey is a full-time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is 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 Storey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Discrepancies in Reserve Table summations may occur due to rounding.

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.

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.

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