



# Management Presentation

Annual General Meeting  
November 2012





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# Key Objectives





# Key Objectives

## 5 Key Objectives for the Coming Period

1. On-time and on-budget ramp up of the **Mt Muro gold mine** to full production in March 2013 in order to achieve production of 100,000koz AuEq in the current financial year.
2. Achieve 25,000t of Copper production from **Tritton** in the current financial year post a period of significant cost reduction and on-site management change.
3. Continue the **exploration program at Tritton** in order to define an initial reserve at Avoca Tank by March 2013 and test the potential size of the recently discovered Kurrajong prospect.
4. **Effect the separation of Copper and Gold assets** either via a demerger or asset sale.
5. **Appoint a new CEO** and non-executive Director to the Board of the Company and establish a strong Board and management team for the demerged entities. The new management teams and Boards will be specifically skilled and independent to meet the challenges of running an Indonesian focused gold company and separately one of Australia's ten largest independent copper producers.



# Key Objectives

**1. On-time and on-budget ramp up of the Mt Muro gold mine to full production in March 2013 in order to achieve production of 100,000koz AuEq in the current financial year.**

- The capital raised from rights issue funds the waste stripping activity through to March 2013.
- New Mine Management team in place with increased technical support, project management and oversight to address previous performance issues.
- Security of supply chain and consumable levels are being addressed. This has been a key issue in the past impacting production stability.

**2. Achieve 25,000t of Copper production from Tritton in the current financial year post a period of significant cost reduction and on-site management change.**

- First quarter production exceeding target – 6,583 t copper.
- Successful cost reduction program implemented which involved a reduction in personnel, removal of contractors and a halt on all non-critical works. These changes may cause short term impacts as they are bedded in.
- Recruitment of experienced on-site managers including a General Manager and Mine Manager with over 70 years combined mining industry experience.
- In order to lower the unit cost of Tritton, exploration and development is occurring to bring multiple ore sources into production and lift mill throughput.



# Key Objectives

## **3. Continue the exploration program at Tritton in order to define an initial reserve at Avoca Tank by March 2013 and test the potential size of the recently discovered Kurrajong prospect.**

- Avoca Tank is primary target to bring into production as it brings high grade material into the mill, thereby lowering unit cost.
- The Avoca Tank resource is open at depth and along strike to the South.
- Avoca Tank will have an initial Reserve by March 2013. This will be to progress financing and development and is expected to continue to grow as Avoca Tank enters production.
- Kurrajong is an exciting exploration target as it has significant geological potential that may yield a step change increase in Resource if successful. Drill results expected in the coming months.

## **4. Effect the separation of Copper and Gold assets either via a demerger or asset sale.**

- The Board has given a clear directive to split the Copper and Gold assets.
- The process of establishing separate entities has commenced.

## **5. Appoint a new CEO and non-executive Director to the Board of the Company and establish a strong Board and management team for the demerged entities. The new management teams and Boards will be specifically skilled and independent to meet the challenges of running an Indonesian focused gold company and separately one of Australia's ten largest independent copper producers.**

- The Company is advanced in looking for CEOs and independent Directors for the expected separate businesses.

# Current Financial Position





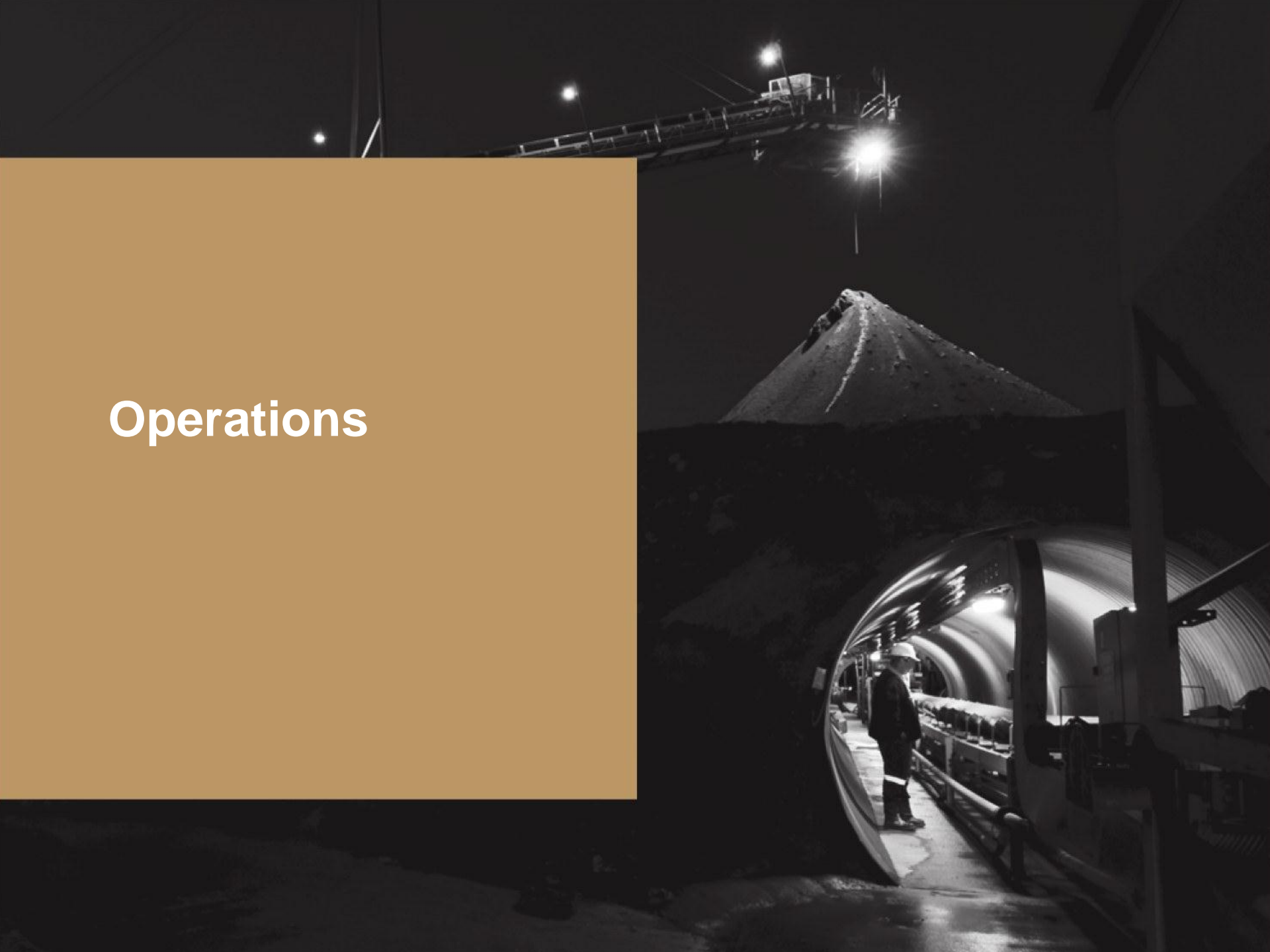
# Financial Update

Cash & Investments	AUD
• Group Cash (excluding restricted cash)	\$36.5m
• Listed Shares (at 31 October)	\$7.2m
• Restricted Cash	\$21.3m
• Contingent assets:	
- Hillgrove option fees	\$2.0m
- Sale of Hillgrove	\$27.0m
- Magontec	\$2.0m

Tracking of Capital Raising Funds Deployed at the Asset Level	AUD
Funds raised via \$60M renounceable rights issue	
• Tritton	\$9.3m
• Mt Muro	\$15.9m



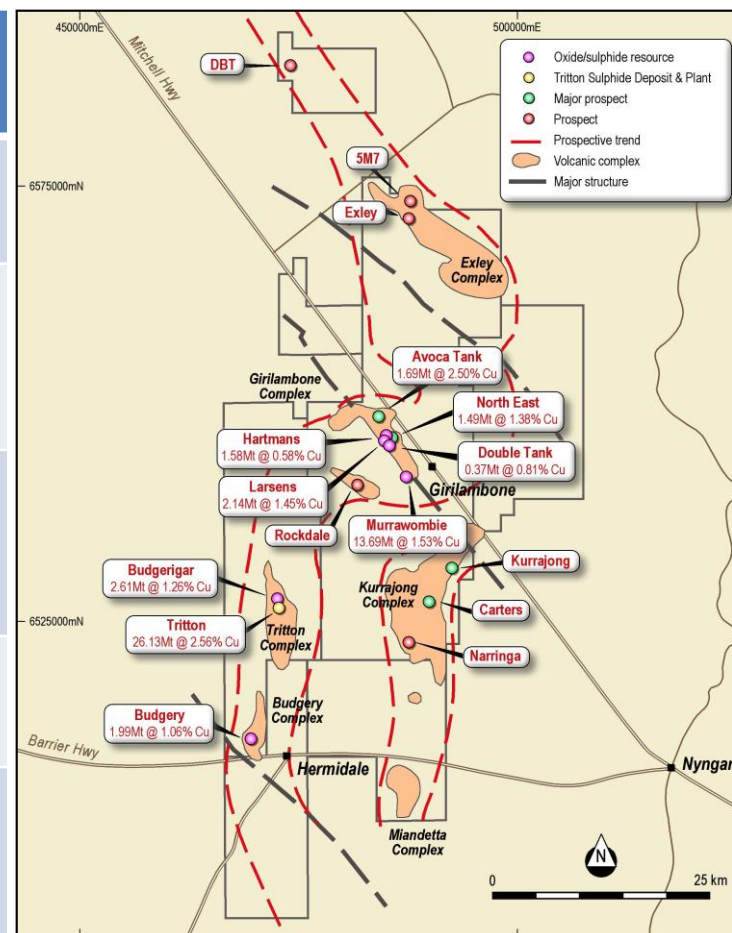
# Operations





## Tritton Copper Strategy

- FY 2013 production target of 25k t copper.
- First quarter production exceeding target – 6,583 t copper. Quarter by quarter production will rise and fall in accordance with mine sequence.
- Large changes have occurred to remove cost, with changes in management, redundancies and suppliers. Bedding in changes carries short term risk.
- In order to lower unit cost seeking to expand mining to fill mill at +1.6Mtpa.
- Have discovered multiple new ore sources. The coming period will focus on identifying which ones give the best return for first development.





# Tritton Copper +1.6Mtpa Options

## Avoca Tank

- Preliminary Inferred resource of **1.49Mt at 2.7% Cu 0.62g/t Au and 12g/t Ag** in 2012 Annual Report.
- Open at depth and along strike to South of current resource. Additional drill targets in surrounding complex.
- Expect initial Reserve by March 2013 to allow financing. This is expected to continue to grow.

## Kurrajong/Carters Trend

- Currently ranked as best target to add significant resource tonnes.
- Nine holes to date have confirmed existence of a significant mineralised system over 650m in strike length. Open in all directions and down dip.
- Geological indicator (EM decay constant) is larger than even the Tritton orebody.
- Current program to drill 2 holes by Christmas to confirm the significance of the system.

## North East

- Is an existing operating mine also feeding the Concentrator at Tritton.
- Drilling from UG has produced significant mineralised intercepts at the North East mine that will extend the mine life.
- Extension drilling also occurring at Larsens deposit which is connected underground from North East and open at depth.

## Murrawombie

- Most readily available to add as third ore source as has an established Reserve.
- Has an established portal and decline requiring rehabilitation and some infrastructure for re-entry.
- Adjacent to currently operating North East mine, on approved Mining Lease.



## Mt Muro Gold

- FY 2013 production target of 100k oz AuEq.
- First quarter production of 16,938 oz AuEq above guidance.
- Significant changes in mine management and ramp up have occurred. These changes place pressure on production in near term.
- Reinstatement of ball mill in processing circuit undergoing commissioning in preparation for ramp-up in ore tonnage. Milling capacity is 1.7 Mtpa.
- Previous impacts of pit dewatering, reliability of power supply and consumable levels being addressed with dedicated project management.



# Competent Persons Statement





# Competent Person Statements

## **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.

## **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.