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STRAITS RESOURCES LIMITED  
(ASX: SRQ)

**RAINFALL IMPACTING MT MURO OPERATIONS**

In the company's recent communication it provided a commitment to provide granular and timely updates in regards to meeting our 5 key objectives. In the context of meeting the production objective below at Mt Muro the company deemed it prudent to inform the market that the operations has been impacted by flash flooding of 166mm of rain over the past 72 hours.

**Key Objective:**

- 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 100,000oz AuEq in the current financial year.

**Potential Impact:**

- Whilst mining will be impacted in the short term the major concern is to insure the natural drainage capacity of the local terrain along with site mechanical pumping and rainwater discharge facilities are not overwhelmed.
- In order to maintain a controlled discharge from the Company's processing plant, Management suspended milling operations and ceased the discharge of water to the tailings dams in order to stabilise the situation.
- Site management has initiated a recommissioning plan and is currently working on pumping and water reticulation management to dissipate and control site water levels. Management is confident adequate pumping capacity is available at site to implement its recovery plans.
- The flooding event has also affected local villages and Straits personnel are working with local government agencies on the delivery of food aid to affected villages, and the removal of some landslide material impeding access.

**Outlook:**

At this stage there is no change to annual production guidance and resumption of milling will occur once all tailings management facilities have been reviewed and any deficiencies rectified. The Company is committed to its Environmental management and is pleased that site staff took such quick action.



A full review of the Mt Muro mine plan was already underway post the recent recapitalisation of the company and in preparation for the potential demerger of the gold and copper operations. This plan is due to be presented to the board on the 20<sup>th</sup> of December.

For further information, please contact:

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

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