Quarterly Activities Report

For the period ended 31 March 2013

Production Snapshot

Contained Metal Production	MAR 2013 QTR	YTD FY2013
Tritton:		
Total Copper	5,712 t	16,766 t
C1 Cash Costs	A$2.37	A$2.44
Mt Muro:		
Total Gold Equivalent	10,517 oz	39,481 oz
C1 Cash Costs	US$2,196	US$1,743

Capital Structure at 31March 2012

Shares on Issue	1,164,150,159
Market Capitalisation	$46,566,006

MARCH QUARTER HIGHLIGHTS

- **Successful completion of the Hillgrove sale with the receipt of $27M and release of $4M in bonds.**
- **Mining in the eastern end of the Serujan pit at Mt Muro recommenced**
- **Production improves at Tritton**
- **Appointment of key operating personnel:**
  - **Chief Operating Officer; and**
  - **General Manager - Mt Muro**
- **Exploration activities at Tritton continue:**
  - **Drilling continues to expand mineralisation at the Kurrajong Prospect**
  - **Mineralised Granodiorite intrusive identified at the DTB (Glen Idyll) Project**
  - **Resource drilling program and resource estimate at Avoca Tank completed**

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Safety, Environment and Community

Tritton had one Lost Time Injury (LTI). This was a low potential ankle sprain by an operator walking on uneven ground. Mt Muro had an LTI free quarter. The review of safety systems continued at Mt Muro.

Illegal mining activity in the Serujan pit by artisanal miners became a significant safety hazard for the Mt Muro operation during the quarter. Occasional invasion of the pit by up to several hundred artisanal miners in coordinated events caused temporary suspensions of mining operations to avoid risk of injury to the artisanal miners and to Mt Muro employees. Mining activity can be affected for several hours for each invasion event. The frequency and number of artisanal miners involved in illegal mining has generally declined over time as measures have been taken by mine operations and the police to make illegal mining more difficult. The completion of provincial elections in April will allow the military to allocate more resources to secure the mine, further discouraging illegal mining.

Various new community engagement and support programs are being developed at Mt Muro with a project to improve the general water quality for the local villages as a priority.

Operational Summary

Operational performance at Tritton Copper Mine improved on the previous quarter. Copper production at Tritton was 5,580 tonnes, a 25% improvement on the previous quarter. Mt Muro gold equivalent production was 10,517 oz, down by 13% on the previous quarter.

Total expenditure at both operations matched expectations however unit costs were adversely affected by the low output. A structured review of expenditure at both mines has commenced with the intention of lowering the cost base of the business.

Exploration at the Avoca Tank project has been completed and a new Mineral Resource Estimate produced.

Capital expenditure in the quarter was $22.3M comprising $9.1M at Tritton, $12.9M at Mt Muro and $0.3M for exploration.

Tritton Copper Mine (NSW)

PRODUCTION

Tritton operations performance improved from the low base experienced in the previous quarter. At the main Tritton underground mine production has increased steadily, achieving a record of 92kt for the month of March. This is the result of changes that have improved truck haulage operations and stope scheduling. Production from the small satellite North-East underground mine was low due to sequencing of stope extraction restricting ore supply. North-East at a low point of its production cycle moderated an otherwise good mine performance.

Ore processing was lower than ore mined due to low mill availability that resulted from plant downtime for ripped conveyor belts and SAG mill relines. Copper grade was slightly higher than expectation due to less of the lower grade North-East ore in the blend.

Tritton Production Statistics

		DEC 2012 QTR	MAR 2013 QTR
MINED	TONNES	275,871	**314,923**
GRADE	Cu (%)	1.68%	**1.96%**
ORE MILLED	TONNES	281,807	**300,183**
GRADE MILLED	Cu (%)	1.75%	**1.95%**
RECOVERY	Cu (%)	93.95%	**95.20%**
COPPER CONCENTRATE PRODUCED	TONNES	19,339	**23,264**
COPPER CONCENTRATE GRADE	Cu (%)	24.0%	**24.0%**
CONTAINED COPPER IN CONCENTRATE	TONNES	4,341	**5,580**
COPPER CEMENT PRODUCED	TONNES	130	**132**
TOTAL COPPER PRODUCED	TONNES	4,471	**5,712**

COSTS

Total expenditure for the quarter was similar to the rate of spend in previous quarters of this financial year. A structured review of costs has identified opportunities for savings and these will have an impact as they are implemented in future periods. The unit costs fell from the previous period as a result of higher production.

Tritton - Unit Cost Performance A$/Lb

	DEC 2012 QTR	MAR 2013 QTR
TOTAL MINING COSTS	1.64	**1.30**
TOTAL SITE PROCESSING COSTS	0.63	**0.46**
TC/RC'S & PRODUCT HANDLING	0.38	**0.29**
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	(0.11)	**(0.06)**
OTHER DIRECT CASH COSTS	0.38	**0.38**
TOTAL C1 COSTS	2.92	**2.37**
ROYALTIES	0.09	**0.10**
CONCENTRATE INVENTORY MOVEMENT	(0.18)	**(0.65)**
TOTAL CASH COSTS	2.83	**1.81**
DEPRECIATION & AMORTISATION	0.44	**0.57**
TOTAL PRODUCTION COSTS	3.27	**2.38**

OUTLOOK

Copper production targeted for the June quarter is 6,000 tonnes; hence the new full year guidance for copper production is in the order of 22,750 – 23,000 tonnes.

Mt Muro Gold Mine (Indonesia)

PRODUCTION

The Mt Muro mine gold ounce equivalent production in the March quarter was lower than expectation due to lower grades mined. There were a number of challenges faced by the operation that caused the poor performance; provincial government directions that stopped mining in the east end of Serujan pit from early January until early March and lower than expected grades from the west end of the Serujan pit. Mining operations were also disrupted at various times by illegal mining activity.

In early January the operation received an order from the Regional Governor for mining activities to cease until there was clarity over the boundary defining the buffer zone between mining activities in the Serujan Pit and a site of local cultural significance. After a period of consultation with the key external stakeholders, operations resumed in the eastern end of the Serujan Pit in the first week of March with the strong support of the local community

A review of the Mineral Resource estimation model was initiated in response to the poor grade reconciliation in the hanging and footwall structures being mined in the west end of Serujan pit with actual grades lower than modeled. There is no concern with the grade estimates in the east end of the pit; however mining in the higher confidence eastern ore did not re-start until the first week of March. A revised and lower grade Mineral Resource estimate for the west end of the pit is now being used for mine planning while modeling work continues to improve the confidence in the grade estimates. Grades at depth in the west end of Serujan pit are consistently estimated, by all models, to be higher than the shallower hanging and footwall structures that were mined during the March quarter.

A review of the Serujan pit design has resulted in a reduction in the size of the pit, eliminating the mining of approximately 10M bank cubic metres of waste for the loss of 0.8Mt of ore. The reduction in quantity of waste to be mined has allowed a reduction in size of the mining fleet with a corresponding reduction in mining costs expected to flow through in the coming quarter. A decision on a future push back of the pit or underground mining to recover the ore now outside the pit design will be made when resource modeling work is completed.

Mt Muro Production Statistics

		DEC 2012 QTR	MAR 2013 QTR
MINED	ORE TONNES	216,004	**402,246**
	WASTE TONNES	2,148,147	**2,203,722**
ORE MILLED	TONNES	230,790	**301,319**
MILLED GRADE	GOLD (G/T)	1.24	**0.87**
	SILVER (G/T)	27.29	**23.34**
RECOVERY	GOLD (%)	94.16%	**92.72%**
	SILVER (%)	85.89%	**78.04%**
PRODUCTION	GOLD (oz)	8,499	**7,639**
	SILVER (oz)	185,042	**157,162**
	GOLD Eq(oz)	12,026	**10,517**
SALES	GOLD (oz)	8,519	**7,523**
	SILVER (oz)	201,830	**150,215**
	GOLD Eq (oz)	12,334	**10,282**

COSTS

The total production expenditure for the March quarter was in line with expectations however the increase in unit costs for the period resulted from lower gold equivalent ounces produced than expected:

- Mining costs: Lower gold and silver grades combined with the costs of a large mining fleet working to the old pit design adversely affected the unit costs.
- Processing costs: The quantity of ore processed increased compared to the previous quarter. Expenditure increased in proportion with the ore tonne milled. Unit costs were adversely impacted by the lower gold and silver head grades and the corresponding reduction in gold equivalent ounces produced;
- Other Direct Cash Costs: Reduction in expenditure on consultants, contractors and a focus on reducing all non-essential expenditure resulted in unit costs decreasing.

Mt Muro - Unit Cost Performance A$/oz

	DEC 2012 QTR	MAR 2013 QTR
TOTAL MINING COSTS	435	**782**
TOTAL SITE PROCESSING COSTS	613	**733**
TC/RC'S & PRODUCT HANDLING	11	**33**
NET BY-PRODUCT CREDIT (INCL PROCESSING/TC/RC/TRANSPORT)	-	**-**
OTHER DIRECT CASH COSTS	710	**648**
TOTAL C1 COSTS	1,769	**2,196**
ROYALTIES	135	**139**
OTHER INDIRECT COSTS	-	**-**
INVENTORY MOVEMENT	(285)	**(962)**
TOTAL CASH COSTS	1,619	**1,374**
DEPRECIATION & AMORTISATION	367	**710**
OTHER NON CASH COSTS	375	**640**
TOTAL PRODUCTION COSTS	2,362	**2,724**

OUTLOOK

Mining has re-started in the east end of Serujan pit and this is supplying softer oxide ore for the mill. Gold and silver grades are increasing as result. Mining in the west end of the pit, on the new design is focused on dropping into the higher grade ore at depth. Reduction in the quantity of planned waste mining has allowed a reduction in the mining fleet and cost savings from this design change will flow through the business over time. Adjustment to the change in pit design, fleet size, and resource estimation models will occur in this quarter. The intention is to achieve a combination of improving revenue from higher gold and silver grades from mining at deeper levels and a reduction in costs from detailed management control.

Gold ounces equivalent production for the June quarter is targeted for between 19,000 oz Au and 21,000 oz with full year production guidance being between 58,500 and 60,500 gold equivalent ounces.

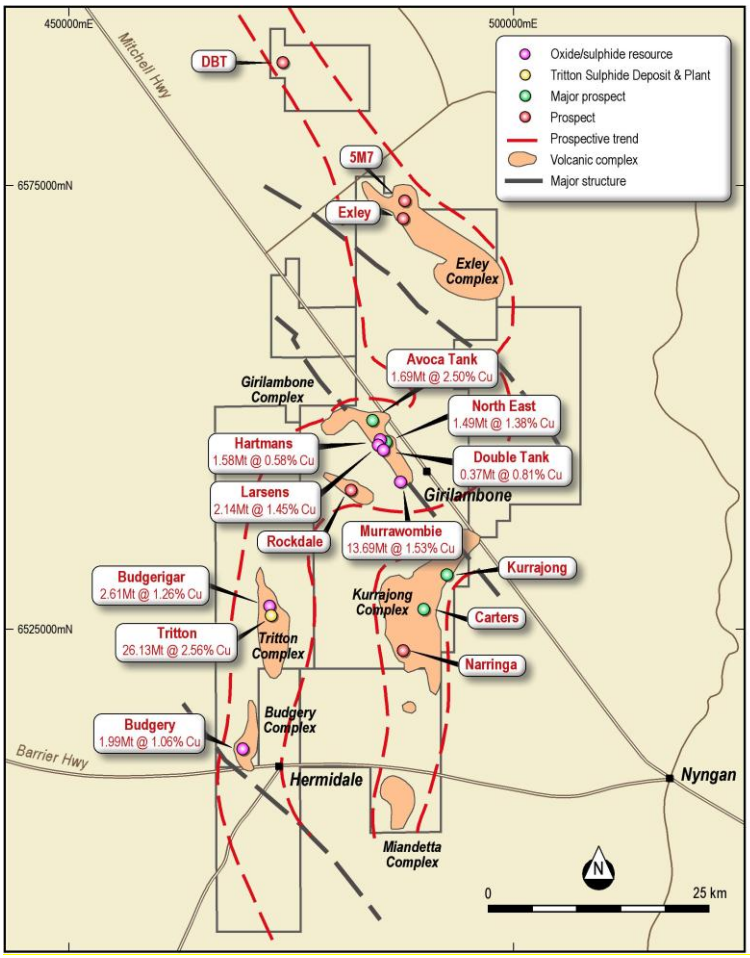
Exploration

NEW SOUTH WALES

Tritton: *Straits - 100%*

During the quarter, drilling activities at Tritton included diamond drilling at the Kurrajong Complex, infill resource drilling at Avoca Tank Prospect and a first pass RC/diamond program targeting regional exploration prospects identified through magnetic and geological ranking.

Numerous anomalies have been identified and remain untested in the Tritton region. These are shown in the following diagram (Map 1):



Map 1 - Tritton Region showing copper deposit distribution and relative size

Straits currently hold 177,000 hectares in the prospective Tritton VMS district. This is made up of 4 granted Exploration and 3 Mining leases. Six major mafic complexes have been identified within a sequence of sedimentary rocks with a strike length of greater than 100km.

The exploration strategy is steadily evolving and to date has been extremely effective in both identifying and testing for VMS sulphide systems as shown by the exploration success to date at Avoca Tank, Kurrajong, Carters and Budgery.

The quality of the remaining targets in the Tritton region is considerable and the potential for further discoveries in this large VMS mineralised district remains excellent. Straits continuing success allied with the knowledge that Besshi VMS systems are characterised by repeats along strike, multiple horizons and lenses and significant depth potential gives the Company great confidence for the discovery of additional deposits along the multiple prospective horizons within the Tritton region.

Kurrajong:

During the March quarter two further drill holes were completed at the Kurrajong prospect TKJD012 and TKJD013. Since the initial discovery of massive sulphides at Kurrajong during the 3rd quarter of FY2012 a total of 13 drill holes have been completed.

Drilling continues to expand the zone of mineralisation which now has a strike length of over 700 meters and has been drilled to over 500 meters in vertical depth. The best assay result returned to date remains a 6 meter interval of massive sulphide in TKJD008 (6m @ 3.92% Cu). During the quarter drill hole TKJD012 returned a massive sulphide zone grading 10m @ 2.43% copper. See attached table for significant results returned during the quarter.

Table 1: Significant Assay Results Avoca Tank

Hole Id	Project	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TKJD010	Kurrajong	493082	6530790	-65	325	538	2	0.54	0.05	0.05	2.0
						546	13	0.75	0.01	0.06	2.4
						569	1	1.18	0.01	0.09	4.3
TKJD011	Kurrajong	493047	6530675	-65	325	548	1	0.95	1.31	0.22	4.5
TKJD012	Kurrajong	493179	6530720	-65	325	603	10	2.43	0.24	0.25	6.4
						624	2	1.42	0.39	0.30	5.5

Drilling continues to confirm the presence of a large mineralised system at Kurrajong and additional drilling has been planned to test the significant downhole EM anomalies identified in TKJD010 and TKJD011, which remain untested at depth.

Avoca Tank:

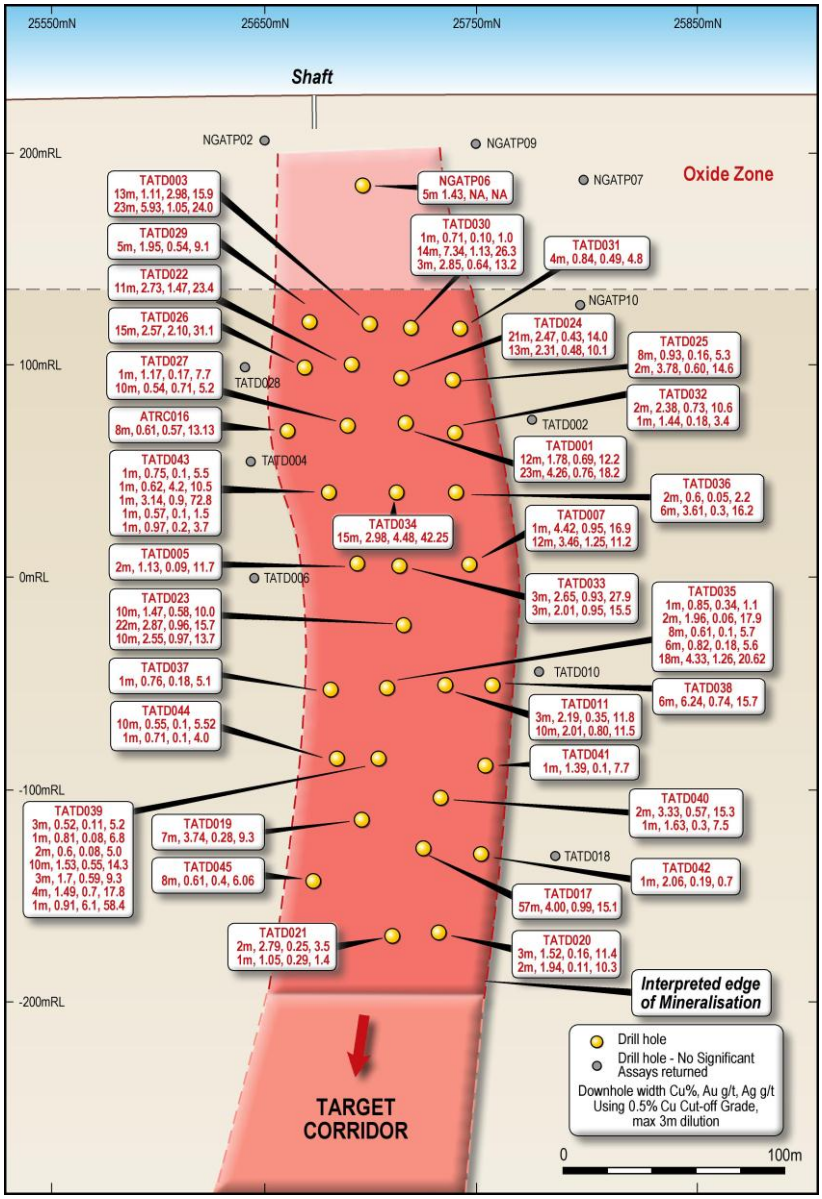
The Resource drilling program at the Avoca Tank project was completed during the March quarter. The drilling completed has allowed the estimation of an indicated resource calculation (see Table 2). Straits will now commence a conceptual study to allow economic evaluation of the deposit. The Avoca Tank deposit remains open at depth below 450 metres vertical. The company remains positive that extensional discoveries at Avoca Tank will be found, in and around the Girilambone Mafic Complex.

A total of 5 drill holes TATD040 to TATD045 were completed during quarter, with assay results for TATD038 to TATD045 returned. Assay results for Avoca Tank are detailed in Table 1.

Table 1: Significant Assay Results Avoca Tank

Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TATD038	484757.5	6548560.4	-60	232	288	1	0.59	0.04	0.02	0.9
					307	6	6.24	0.28	0.74	15.7
TATD039	484837.72	6548543.16	-60	232	308	1	0.51	0.07	0.07	7.4
					314	13	0.437	0.04	0.08	4.6
					333	10	1.53	0.50	0.55	14.3
					348	3	1.7	0.41	0.59	9.3
					355	4	1.49	0.67	0.70	17.8
					371	1	0.91	2.00	6.10	58.4
TATD040	484821.704	6548565.071	-60	232	377	6	0.55	0.04	0.07	3.7
					396	2	3.33	0.86	0.57	15.3
					403	1	1.63	0.97	0.30	7.5
TATD041	484798.154	6548582.816	-60	232	319	1	1.39	0.33	0.10	7.7
TATD042	484833.366	6548608.091	-60	232	361	1	2.06	0.02	0.19	0.7
					375	2	0.85	0.02	0.07	5.0
TATD043	484725.318	6548476.975	-60	232	166	1	0.75	0.15	0.1	5.50
					186	1	0.62	0.22	4.2	10.50
					192	1	3.14	1.16	0.9	72.80
					280	1	0.57	0.06	0.1	1.50
					306	1	0.97	0.11	0.2	3.70
TATD044	484844.384	6548517.526	-60	232	294	10	0.55	0.24	0.1	5.52
					314	1	0.71	0.08	0.1	4.00
					361	1	0.55	1.65	5.4	93.90
					368	1	0.58	0.61	0.8	25.20
TATD045	484892.123	6548525.323	-60	232	518	8	0.61	0.50	0.4	6.06

(0.5% Cut-off grade, max 3m internal dilution) Datum AGD66



Long section of Avoca Tank

Table 2: March 2013 Avoca Tank Resource estimate.

			Grade				Contained Metal		
Model Date	**Classification**	**Cut Off Cu (%)**	**Tonnes**	**Cu %**	**Au g/t**	**Ag g/t**	**Cu (t)**	**Au (oz)**	**Ag (oz)**
Mar-13	Measured	0.6							
	Indicated	0.6	704,000	2.8	1.0	16	20,000	22,000	361,000
	Inferred	0.3	138,000	0.7	0.1	1	1,000	300	4,900
	Total	**0.6**	**842,000**	**2.5**	**0.8**	**14**	**21,000**	**22,300**	**365,900**
Aug-12	Measured	0.6							
	Indicated	0.6							
	Inferred	0.6	1,490,000	2.7	0.6	12	40,000	29,000	561,000
	Total	0.6	1,490,000	2.7	0.6	12	40,000	29,000	561,000

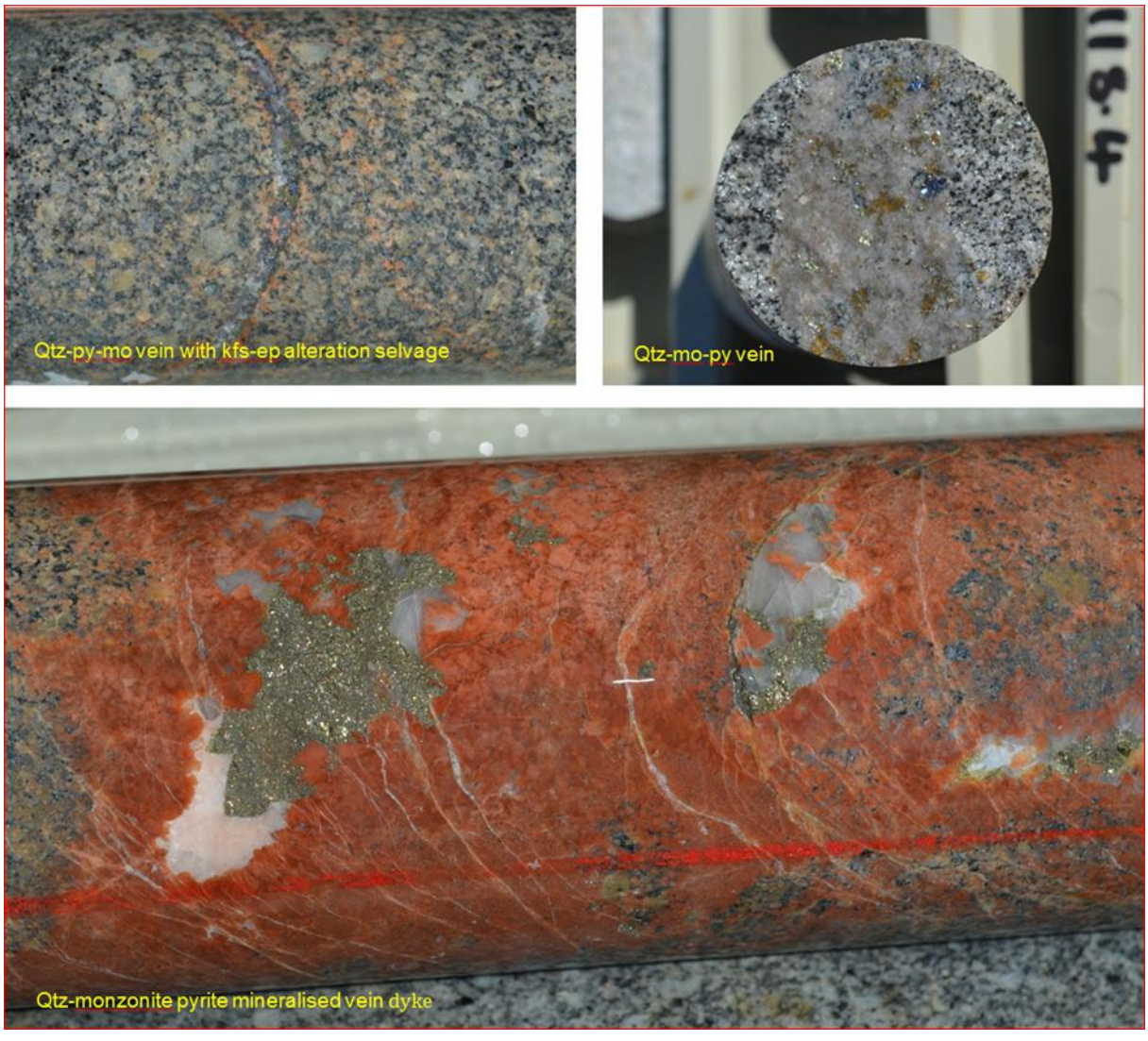
DTB (Glen Idyll Project): Mineralised Granodiorite Intrusive

Two drill holes have been completed at the DTB – Glen Idyll prospect. TDTBRC001 was an RC drill hole completed to 178m depth and hole 002 was a diamond tail from 78m drilled to 504.5m.

Table 4: Details for the DTB – Glen Idyll drilling

Hole Id	Project	East AMG	North AMG	Dip	Az (mag)	Assays
TDBTRC001	Glen Idyll	474336	6588605	-65	300	Pending
TDBTRCD002	Glen Idyll	474415	6588685	-65	300	Pending

Drilling of the DTB magnetic anomaly has returned a mineralised Granodiorite intrusive. Straits believes the age of the mineralisation to be around the 426 million years (Upper Ordovician-Silurian interface), similar to the Glenariff Granite. This is a similar age to the Parkes and Cadia intrusive systems. Potassic and sericite alteration associated and veining containing pyrite/chalcopyrite and molybdenum have been identified. Assay results are awaited. See Map 1 for location of DTB anomaly in relation Tritton regional tenure. Very little is known about the intrusive as limited previous drilling has been completed throughout the region.



OTHER AUSTRALIAN EXPLORATION ASSETS

Straits has accepted an offer by OZ Minerals to purchase the Stuart Shelf exploration project in South Australia for a total consideration of $2.2 million (incl GST). The project comprises seven exploration licenses located within close proximity of OZ Minerals 100% owned Carrapateena Licenses. The leases included EL4397 – Lake Torrens, EL4574 – Shore Hill, EL4700 – Glenside, EL4764 – Winjabbie, EL4800 – Oak Dam NE, EL4941 – Trimmer Inlet, and EL5000 – Red Swamp. The purchase is subject to due diligence and finalisation of a Sale and Purchase Agreement with a number of conditions precedent (CP) attached. It is anticipated that the due diligence will be completed by the end of April.

The Offer from OzMinerals doesn't include the Torrens JV Tenure currently in Joint Venture with Kelaray (ASX: ARE Argonaut)

Straits largest remaining non-core asset is the Temora copper/gold project in NSW. This is a high quality project targeting copper porphyry deposits in the proven and highly prospective Lachlan Fold belt in NSW. Straits are currently assessing the various options for maximising the inherent value of this project which we don't believe is currently being recognised by the market.

INDONESIA

Mt Muro: *Straits – 100%*

Exploration activities are currently concentrating in and around the Serujan Pit area. Further geological and mining evaluation of the planned Bantian, Hulubai and Permata Pits is currently underway in anticipation of an expanded exploration and resource definition program during FY14.

Corporate

Cash, Debt & Hedging

At the end of the March 2013 quarter, Straits had total cash and investments of $57.1 million including:

- Useable cash $34.1 million
- Investments $ 2.3 million
- Restricted cash $20.7 million

At the end of the March 2013 quarter, Straits had debt of $103.7 million including:

- Standard Chartered Bank (SCB) copper swap $80.9 million
- SCB working capital facility $14.1 million
- Financed mining equipment & other loans $ 8.7 million

In addition Straits has a silver pre-payment facility to deliver 1,855,053 oz Ag to Credit Suisse.

As a condition of taking out the silver pre-payment facility with Credit Suisse, Straits has hedged 62,496 ounces of gold (between July 2012 and December 2014), at a gold price of US$1,585.81 per ounce.

During the quarter, Straits hedged 5,100t of copper, being 425t per month between February 2013 and January 2014, at a copper price of US$8,200/t.

Management Changes

During the March 2013 quarter two key operational appointments were made:

- Mr Ian Sheppard, appointed as Chief Operating Officer; and
- Mr Kalman Salgo, appointed as General Manager – Mt Muro Mine.

Sale of Hillgrove

On 11 March the Company completed the sale of the Hillgrove Antimony Mine to Bracken Resources. In addition to the $3 million in Option Fees previously received, on completion Straits received the $27 million purchase price. Under the sale terms, Bracken will also replace $3.9 million in environmental bonds currently provided by Straits in respect of the Hillgrove Mine.

For further information contact:

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or go to our website at www.straits.com.au

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

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Mr Ivan Jerkovic who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Jerkovic is a full time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Jerkovic consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resources and Ore Reserves 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 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. Mineral Resources are inclusive of Ore Reserves. Discrepancies in summations may occur due to rounding.

Tritton Copper Operation

The VMS massive sulphide mineralised systems at the Tritton Copper Operation were defined by geologically logged and assayed diamond drill core and rock chips from percussion drilling. Mineral resource limiting envelopes were developed using geological interpretations at a nominal copper cut-off grades between of 0.3 to 0.8%. All Mineral Resources reported for the Tritton Copper Operation were estimated using Ordinary Kriging, a geostatistical block modelling technique applicable for this deposit style.

The Tritton region currently hosts in excess of 50 million tonnes of identified sulphide and oxide mineralised Volcanogenic Massive Sulphide (VMS) systems; these are in all cases associated with or are in close proximity to mafic complexes including tholeitic basalts to basaltic andesites, doleritic and gabbroic intrusives and minor ultramafic and often serpentinised intrusives.

VMS deposits encompass a broad and varied classification of mineral deposit types. The Tritton VMS region deposits are best characterised as Mafic-Siliciclastic deposits (or pelitic-mafic) commonly referred to as "Besshi Style Deposits". Examples of this type of deposits are; Outokumpu, Finland; Labrador Trough, Windy Craggy, Canada; Mid and South Urals, Russia; and the Besshi district, Japan; Gibson, H.L., et al. 2007

This significant copper metal endowment +1 million tonnes of contained copper (both mined and known resources) in conjunction with the size of the mineralised systems would rank the Tritton region as a major VMS field on a global scale for this type of mineralisation. (VMS - very large deposits; 50-100Mt from Hannington et al., 1999).