



14 June 2013

Mr W Baggott
ASX Ltd
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Wade

RESPONSE TO ASX PRICE QUERY

I refer to the questions set out in the letter of 13 June 2013 regarding the change in price of the ordinary shares of Straits Resources Limited (ASX: SRQ) between 7 June 2013 and 13 June 2013.

The Company's response to each of ASX's questions is as follows:

1. No, the company is not aware of any information not disclosed to the market which if known, would explain recent trading in the Company's securities.

However, the Company points out that as announced to the market in the recent company update (29 April 2013), following a period of significant challenges, the Company's focus remains on the stabilisation and optimisation of the Company's Tritton copper mine and Mt Muro operations, whilst actively considering options to reduce the Company's high level of debt. As part of this process, the Company is considering a number of alternatives, including debt restructure, full or partial asset sales or fund raising. The Company is in discussions with various parties regarding these alternatives, however these discussions remain preliminary. The Company will keep the market informed if and when any of these alternatives progress.

2. Not Applicable.

3. The April 2013 company update summarised some of the challenges facing the Company, and highlighted the need for the Company to implement one or more strategies to assist in restructuring or reducing the level of debt in the business. Whilst outlining these challenges, the Company noted that Straits remains a company with:

- Two operating mines in attractive commodities;
- The highly prospective Temora copper/gold project;
- Joint ventures in a number of high quality exploration projects where we have a free carry or minimum expenditure obligations into the medium term; and
- An exploration tenement in the Lake Torrens region in South Australia which is highly prospective for a significant IOCG deposit similar in style to Olympic Dam (BHPB) and Carrapateena (OzMin).

STRAITS RESOURCES LIMITED

ABN 30 147 131 977

Level 1 • 35 Ventnor Avenue • West Perth WA 6005 • Australia | PO Box 1641 • West Perth WA 6872

T: +61 8 9480 0500 • F: +61 8 9480 0520 • E: info@straits.com.au • www.straits.com.au



4. The Company confirms it is in compliance with the Listing Rules and in particular, Listing Rule 3.1.

Yours faithfully

Matthew Smith
Company Secretary

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ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

13 June 2013

Mr Matthew Smith
Company Secretary
Straits Resources Limited
First Floor, 35 Ventnor Avenue
WEST PERTH WA 6005

Email: msmith@straits.com.au

Dear Matthew,

Straits Resources Limited (the "Entity"): ASX price query

We have noted a change in the price of the Entity's securities from a close of \$0.01 on 7 June 2013 to an intra-day high of \$0.024 at the time of writing today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 07:45 am WST tomorrow (Friday, 14 June 2013). If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at mauro.piccini@asx.com.au and tradinghaltspert@asx.com.au or by facsimile to +61 8 9221 2020. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Mauro Piccini
Senior Adviser, Listings Compliance (Perth)