

Turnaround Strategy: *Gaining Traction*



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Forward-Looking Information

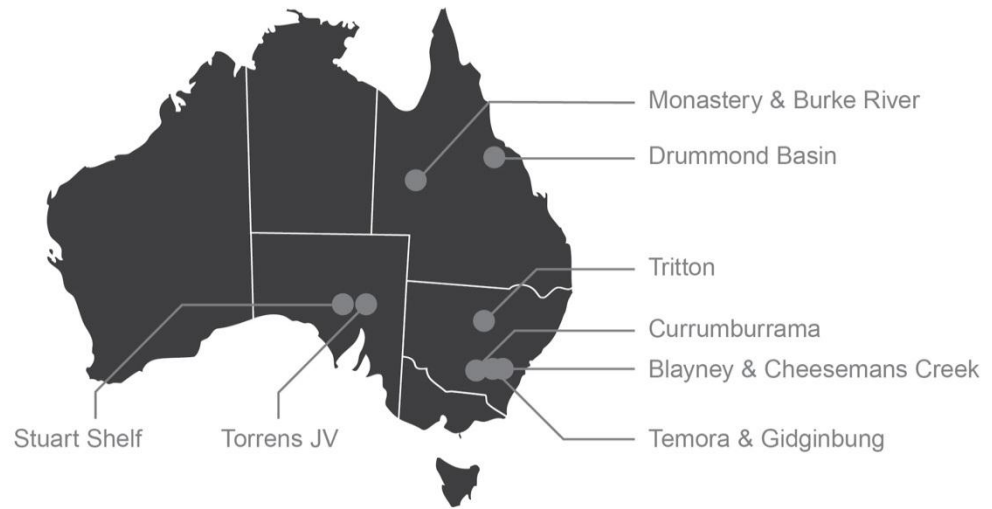
Certain statements contained in this press release constitute forward-looking statements or forward-looking information. The words “intend”, “may”, “would”, “could”, “will”, “plan”, “anticipate”, “believe”, “estimate”, “expect”, “target” and similar expressions are intended to identify forward-looking 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.

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.

- An established, focussed Australian copper producer
- New Board and Senior Management with proven track record in corporate and operational turnarounds

Exploration



- Restructuring of the Straits business well advanced and delivering results
- Three consecutive quarters of improved performance (production and cost) at flagship Tritton Copper Operation
- Value proposition with clear share price growth potential

Board of Directors

- Andre Labuschagne Executive Chairman
- Alastair Morrison Non-executive Director
- Michele Muscillo Non-executive Director

Executive Management

- Rob Brainsbury Chief Financial Officer
- Ian Sheppard Chief Operating Officer

Capital Structure	
ASX Code	SRQ
Ordinary Shares	1.164bn
Options & Performance Rights	Nil
Share Price (@ 22 Oct '13)	0.7¢
Market Capitalisation	\$8.15M
Cash & Receivables (@ 30 Sep '13)*	\$29M
Borrowings (@ 30 Jun '13)	\$157.7M

Major Shareholders	
Standard Chartered Private Equity Ltd	18.4%
Glencore Finance Ltd	11.3%
Baker Steel Capital Managers	9.4%
Top 20	74.3%

*Excludes Mt Muro

'Difficult decisions' have been taken:

1. Debt position improving:

- Debt reduced since 30 June 2013 by ~\$28M
 - Mt Muro silver prepayment facility (A\$34.9M) closed out through cash payment (US\$7.5M) and convertible notes (US\$7.0M) to be issued
- Copper swap facility restructured with repayment profile extended to 5 years

2. Operations transitioned to cashflow positive:

- Mt Muro gold mine (Indonesia) placed on care and maintenance (divest or close) – cash 'bleed' stopped
- Reliable performance at Tritton - result of new management, focus on improving maintenance and operations planning practices
- Tritton production stabilised and achieving record results

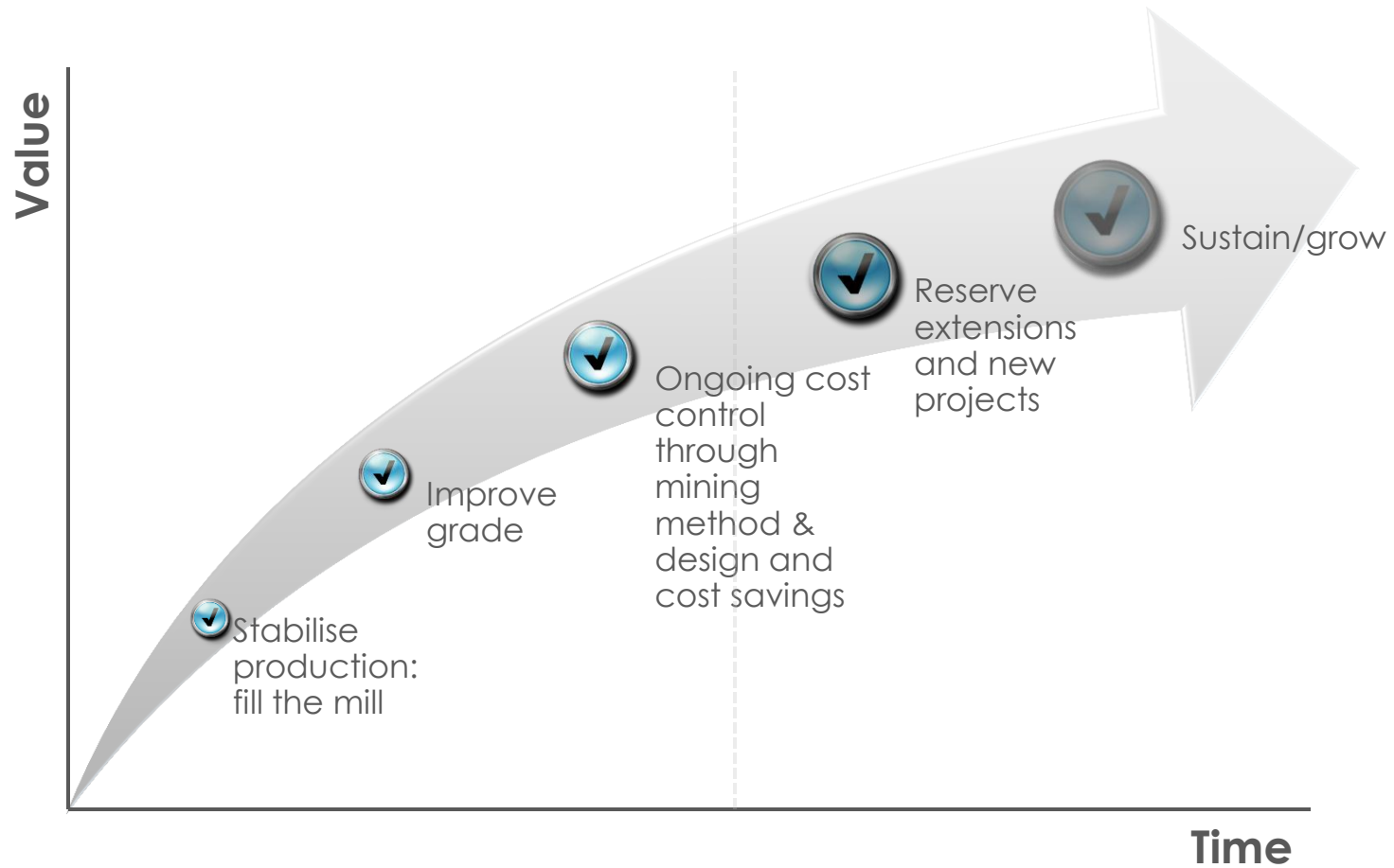
3. Rightsizing complete:

- Sale of non-core assets: Hillgrove antimony/gold operation and plant for \$37.1M, Stuart Shelf exploration assets for \$2.2M
- Corporate head office reduced from ~50 staff to 8 and relocation to Brisbane for cost saving and proximity to operations
- Strategy developed for non core assets

- Produce ~25,000 tonnes of copper (FY2013: ~23,000t)
- Add 50,000 tonnes of JORC compliant copper reserves at Tritton from known projects
- Finalise exit from Mt Muro Gold Mine (divestment or closure)
- Continue to improve debt position
- Continue Tritton resource to reserve conversion (leverage established infrastructure)
- Accelerate exploration of high value regional opportunities with suitable JV partners

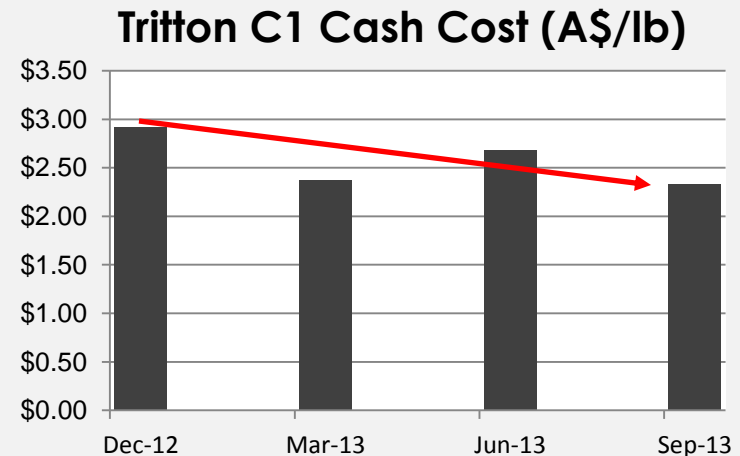
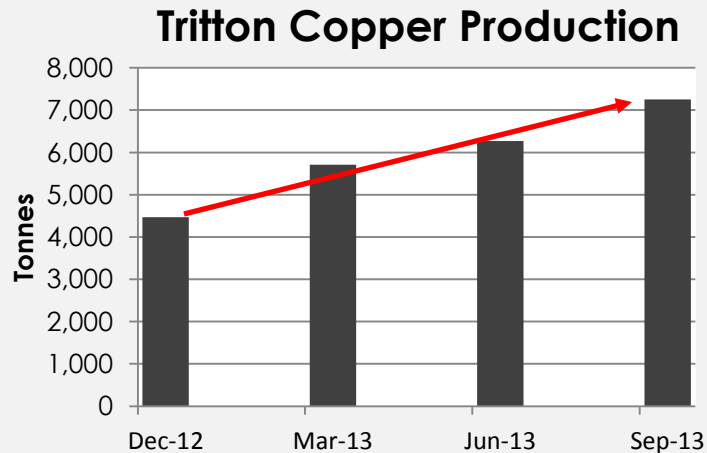


- Located near Nyngan in NSW
- Volcanogenic massive sulphide system
- Reserve - 7.3Mt @ 1.7% for 118kt copper
- Resource – 25,530kt @ 1.7% for 435kt copper
- Multiple mines
- Conventional crushing and flotation circuit -1.5Mtpa concentrator
- FY2014 production forecast ~25,000t
- 7+ year mine life
- Good opportunity for oxide project to restart
- Extensive pipeline of known mining projects
- Highly prospective geological region – excellent potential for new discoveries



Tritton: Turnaround Achievements

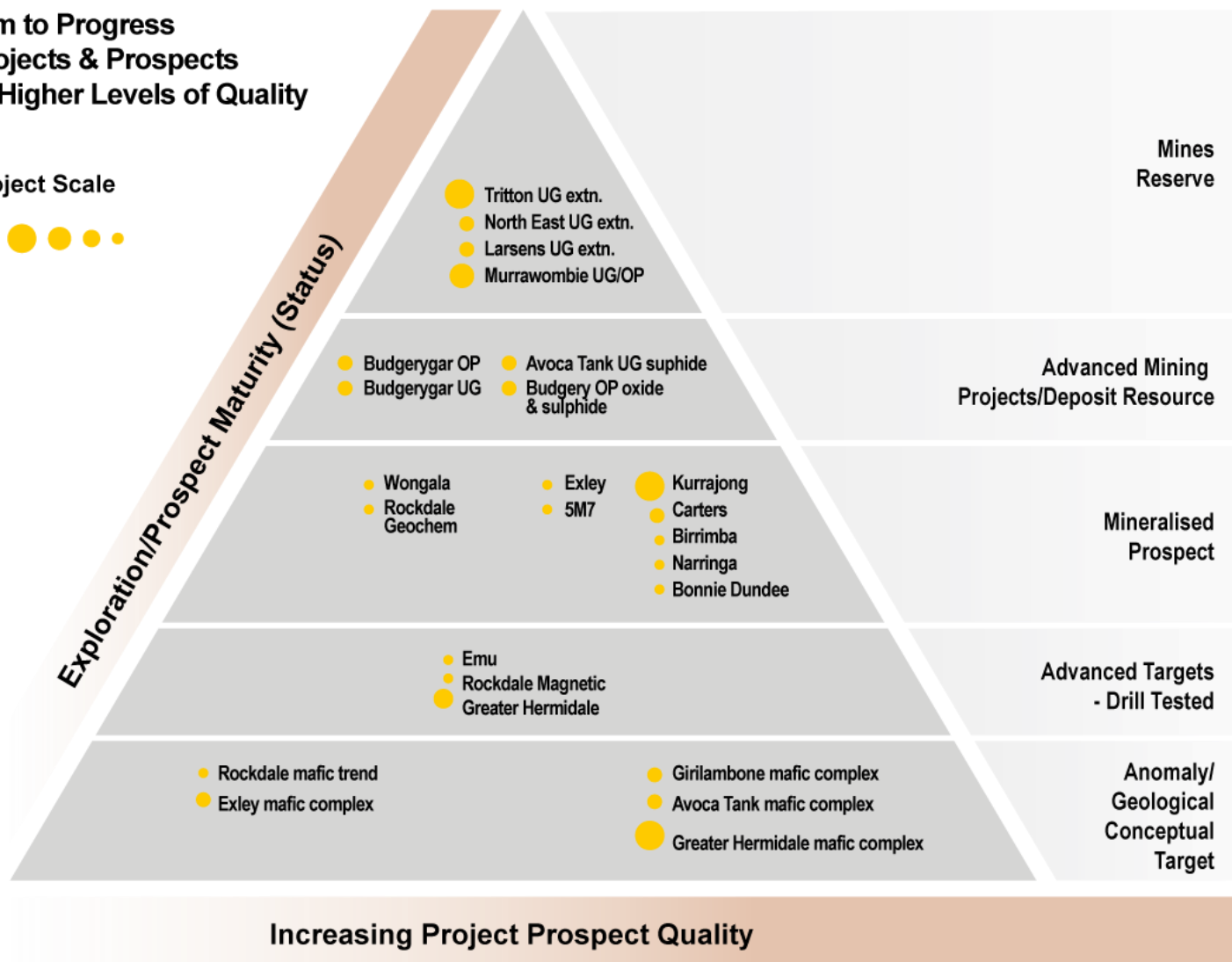
- New management team
- Renewed focus on planning, people and maintenance
- Legacy bottlenecks addressed
- Costs continue to improve
- Operation setting new records for underground mine production, processing plant throughput and copper production



Tritton: Resource Development Pipeline

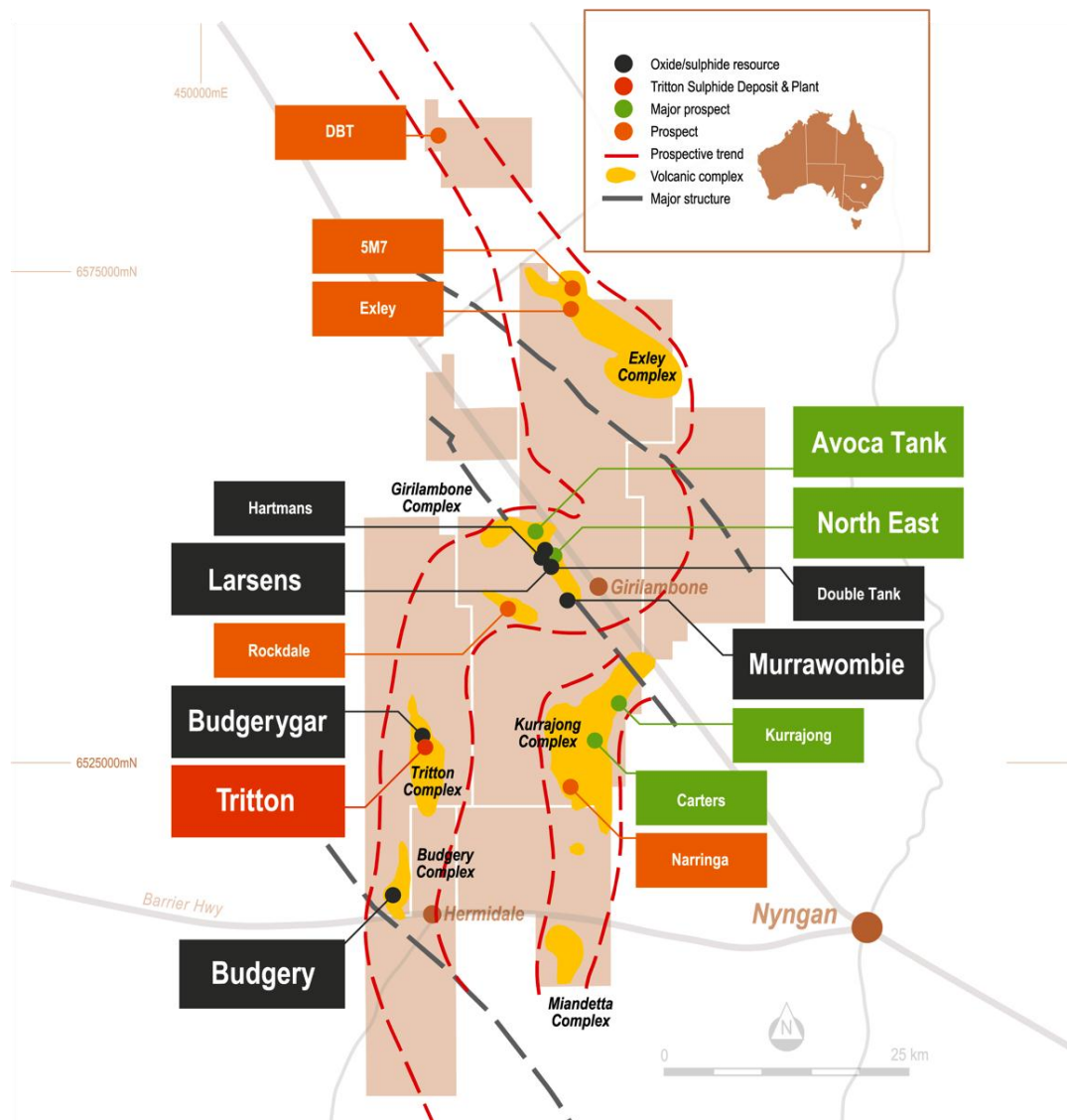
**Aim to Progress
Projects & Prospects
to Higher Levels of Quality**

Project Scale
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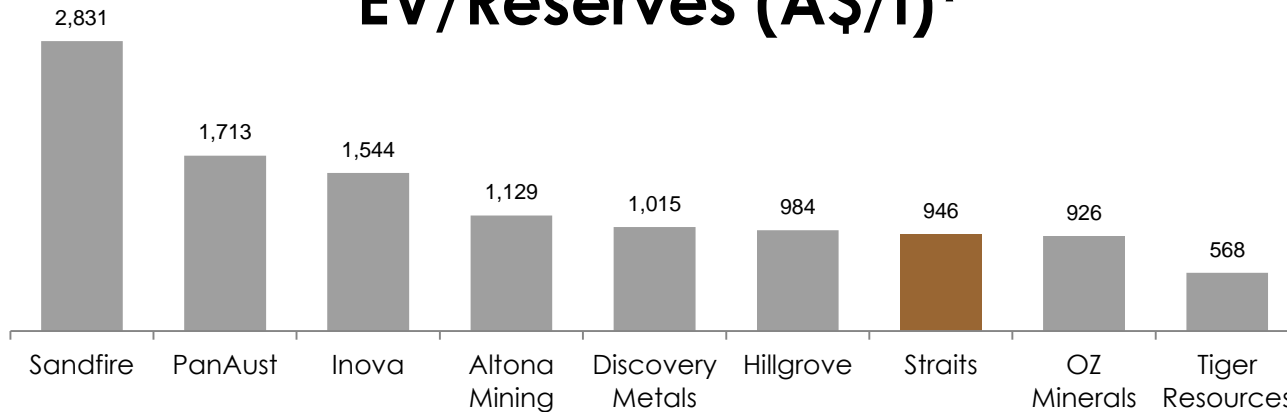


Target Reserve Development Pipeline

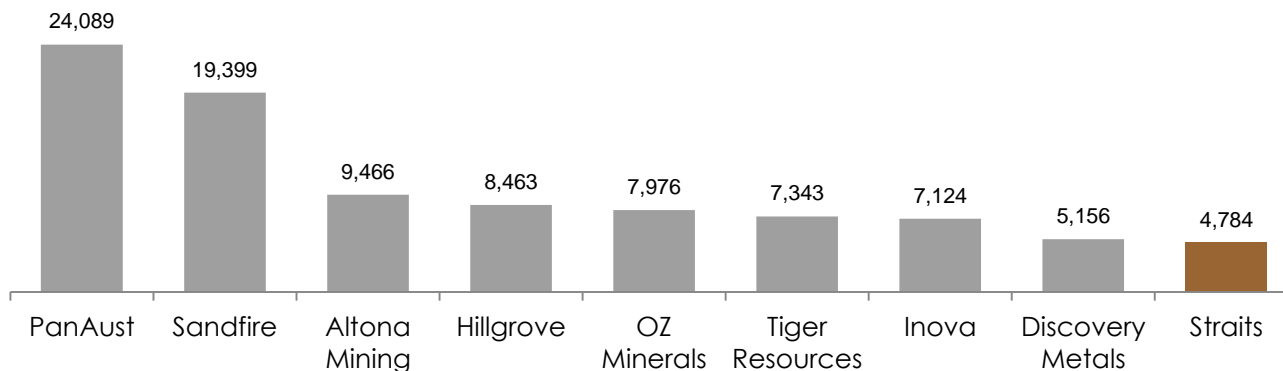
Development Project	Target Cu Kt
Avoca Tank UG	15kt
Budgery pit	10kt
Murrawombie pit extension	10kt
Murrawombie UG	20kt
Budgerygar UG	14kt
Tritton below current reserve	60kt
North East below thrust	5kt
Larsons pit extension	3kt
Total	137Kt



EV/Reserves (A\$/t)*



EV/Production (A\$/t)*

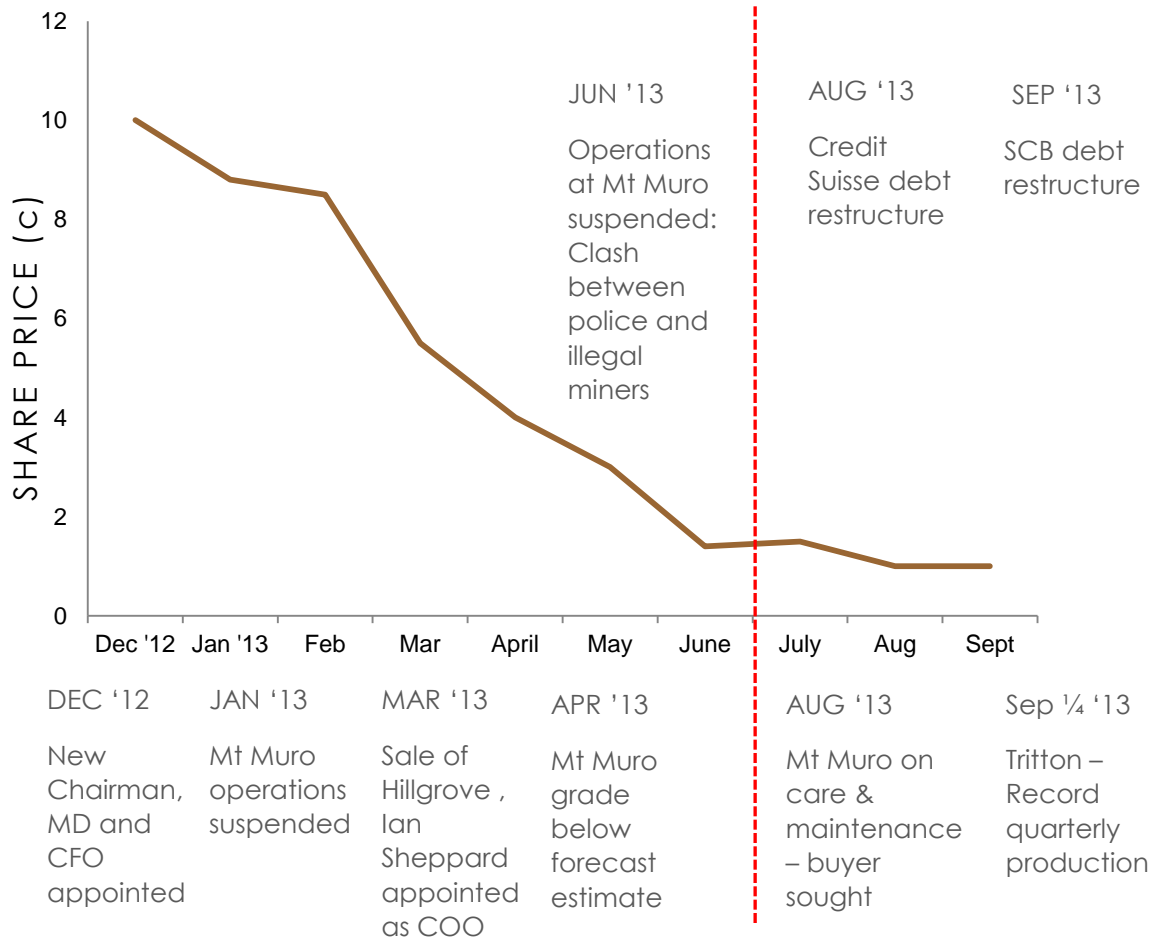


* Source: Bloomberg, company filings.
Production refers to FY2013 output.

Value 'Disconnect'

Snapshot DEC '12

- Market cap ~A\$110M
- ✗ No clear operational focus
- ✗ 'Heavy' corporate structure
- ✗ Operations Cashflow NEGATIVE
- ✗ Operational issues at Mt Muro and Tritton
- ✗ Large debt position



Snapshot SEP '13

- Market cap ~\$A11M
- ✓ Strong team
- ✓ Clear focus: copper assets
- ✓ Lean corporate structure
- ✓ Operations Cashflow POSITIVE
- ✓ Record production at Tritton
- ✓ Debt reducing

1. Difficult decisions taken this year – addressed or addressing key risks
2. Company better positioned today than at start of CY13 – not reflected in share price
3. Current undervaluation represents opportunity to gain exposure to the turnaround



1. Established, focussed Australian copper producer

- Multiple mines and a 1.5Mtpa copper concentrator at Tritton in NSW
- Growing production profile of 23,000t+ in 2013 to 25,000t in 2014
- Few mid-cap copper investment opportunities

2. New Board and Senior Management with proven track record

- Executive Chairman/MD, CFO and COO have led a number corporate and operational turnarounds
- Clear focus on operational excellence and financial performance

3. Restructuring of the Straits business is well underway

- Substantial rationalisation has occurred at an operational and corporate level in the past 12 months

4. Value proposition with clear share price growth potential

- Undervalued relative to peers
- Value yet to be ascribed to turnaround achievements



Straits

ASX:SRQ

Thank you

Mineral Resource - Tritton Area



June 2013 Estimate							
Region	Project	Cut-off	Commodity	Measured	Indicated	Inferred	Total
Tritton Copper Operation	Tritton Underground	Variable Cu	Tonnes (kt)	2,050	7,530	1,900	11,480
			Cu (%)	2.0	1.7	2.2	1.9
	Tritton Pillars (Recoverable)	Variable Cu	Tonnes (kt)		380		380
			Cu (%)		2.6		2.6
	Murrawombie	0.6% Cu	Tonnes (kt)		6,530	1,510	8,040
			Cu (%)		1.4	1.2	1.4
	North East	0.6% Cu	Tonnes (kt)	30	250	60	340
			Cu (%)	2.4	1.9	1.8	1.9
	Larsens	0.6% Cu	Tonnes (kt)		810		810
			Cu (%)		1.8		1.8
	Avoca Tanks	0.6% Cu	Tonnes (kt)		710	140	850
			Cu (%)		2.8	1.0	2.5
	Budgerygar	0.8% Cu	Tonnes (kt)			1,610	1,610
			Cu (%)			1.5	1.5
	Budgery	0.5% Cu	Tonnes (kt)		1,740	280	2,020
			Cu (%)		1.1	0.9	1.1
	Sub Total Projects	Variable Cu	Tonnes (kt)	2,080	17,950	5,500	25,530
			Cu (%)	2.0	1.6	1.6	1.7
	Stockpiles	Variable Cu	Tonnes (kt)	50			50
			Cu (%)	1.5			1.5
Grand Total (Tritton Operations)	Variable Cu	Tonnes (kt)	2,130	17,950	5,500	25,580	
		Cu (%)	2.0	1.6	1.6	1.7	

Ore Reserve – Tritton Area

June 2013 Estimate							
Region	Project	Mining Method	Cut-off Cu	Commodity	Proved	Probable	Total
Tritton Copper Operation	Tritton	UG	Variable	Tonnes (kt)	921	4,327	5,248
				Cu (%)	2.1	1.7	1.7
				Cu recovered (t)	18,500	67,200	85,800
	Murrawombie	UG	Variable	Tonnes (kt)	-	1,370	1,370
				Cu (%)		1.7	1.7
				Cu recovered (t)		21,600	21,600
	North East	UG	Variable	Tonnes (kt)	-	182	182
				Cu (%)		1.6	1.6
				Cu recovered (t)		2,800	2,800
	Larsens	UG	Variable	Tonnes (kt)	-	440	440
				Cu (%)		1.6	1.6
				Cu recovered (t)		6,600	6,600
	Stockpiles	Stockpile	Variable	Tonnes (kt)	50	-	50
				Cu (%)	1.5		1.5
				Cu recovered (t)	700		700
Grand Total (Tritton Operations)			Variable	Tonnes (kt)	971	6,319	7,290
				Cu (%)	2.1	1.7	1.7
				Cu recovered (t)	19,200	99,000	118,000