

Annual General Meeting

27 November 2013

Andre Labuschagne
Executive Chairman



Straits

ASX:SRQ

www.straits.com.au

Turnaround Strategy: *Gaining Traction*



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Disclaimer



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 report that relates to Mineral Resources is based on information compiled by Byron Dumpleton, who is a member of the Australian Institute of Geoscientists. Mr Dumpleton is a contractor 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.

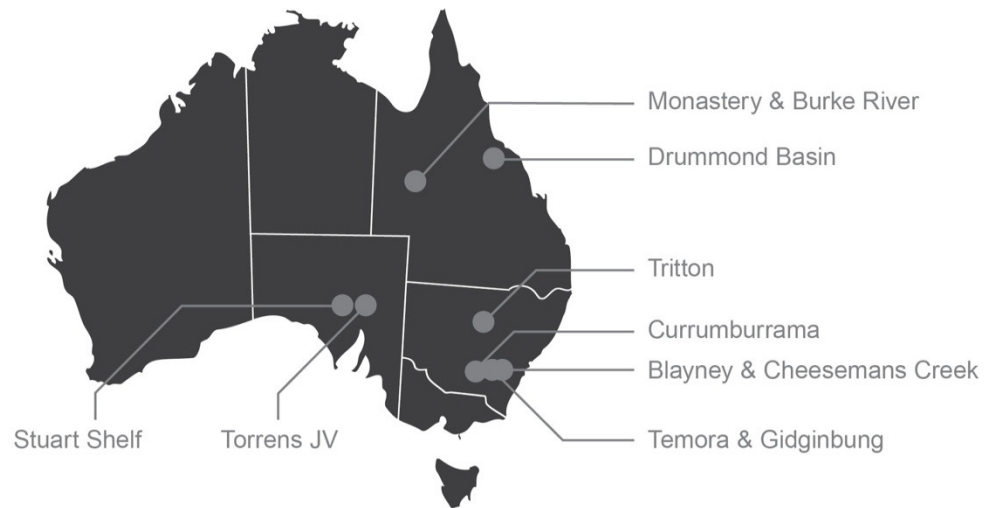
The information in this report that relates to Ore Reserve estimates is based on information compiled by Ian Sheppard, who is a member of the Australasian Institute of Mining and Metallurgy. Ian Sheppard is a full-time employee of Straits Resources Limited and has sufficient experience relevant to the styles of mineralisation, types of deposit under consideration and to the activity which he has undertaken 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 Sheppard consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Investment Proposition



- An established 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

Corporate Overview



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 (@ 26 Nov '13)	0.8¢
Market Capitalisation	\$9.31M
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, benefits starting to accrue :

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) issued
- Copper swap facility restructured with repayment profile to be extended to 5 years

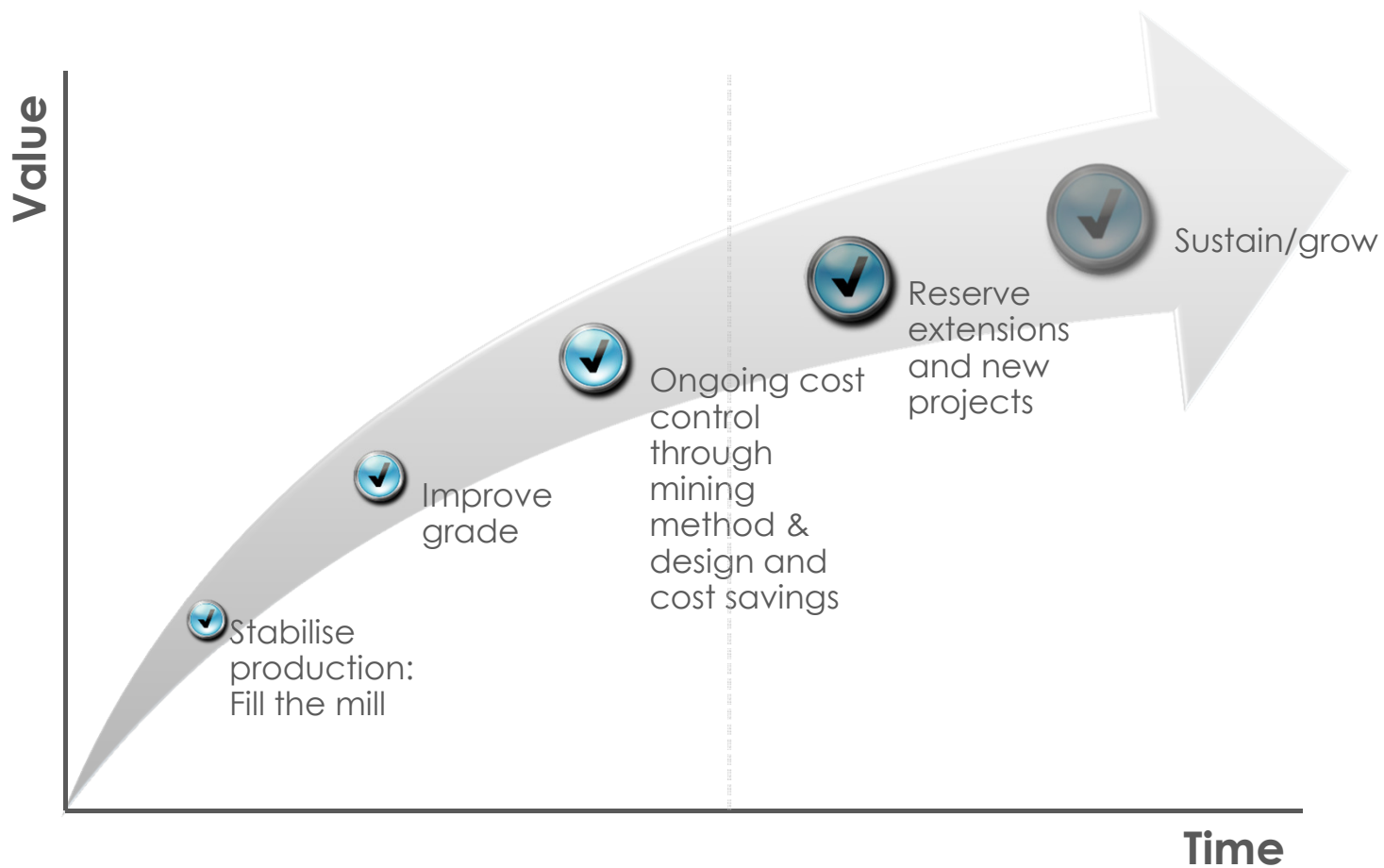
2. Operations transitioned to cashflow positive:

- 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

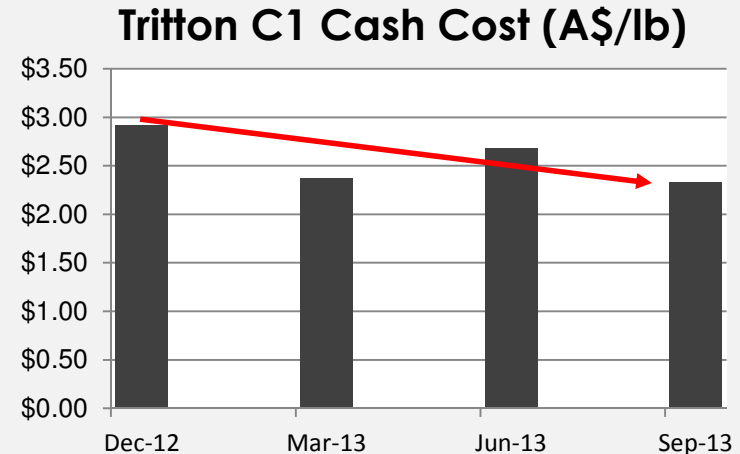
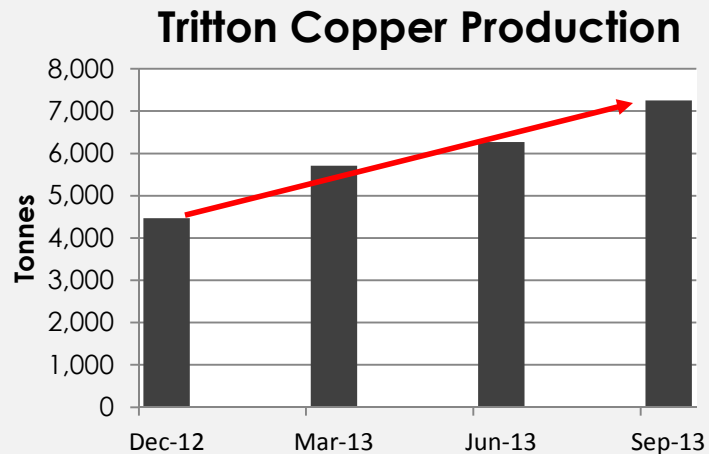
Tritton Operations: Strategy



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 Operations: 25,000t copper production



- Located near Nyngan in NSW
- Reserve - 7.3Mt @ 1.7% for 118kt copper
- Resource – 25,530kt @ 1.7% for 435kt copper
- 7+ year mine life
- Add 50,000 tonnes of JORC compliant copper reserves from known projects
- Continue Tritton resource to reserve conversion (leverage established infrastructure)
- Good opportunity for oxide project to restart
- Extensive pipeline of known mining projects
- Highly prospective geological region – excellent potential for new discoveries

Tritton Operations: 2 underground mines



- Tritton: 1-1.2mtpa @ 1.9% Cu
- North East / Larsens:
200-300ktpa @ 1.6% Cu

Tritton Operations: 1.5 mtpa plant



- Running above capacity
- 94% recovery
- 24% copper concentrate grade

Tritton Operations: Good infrastructure



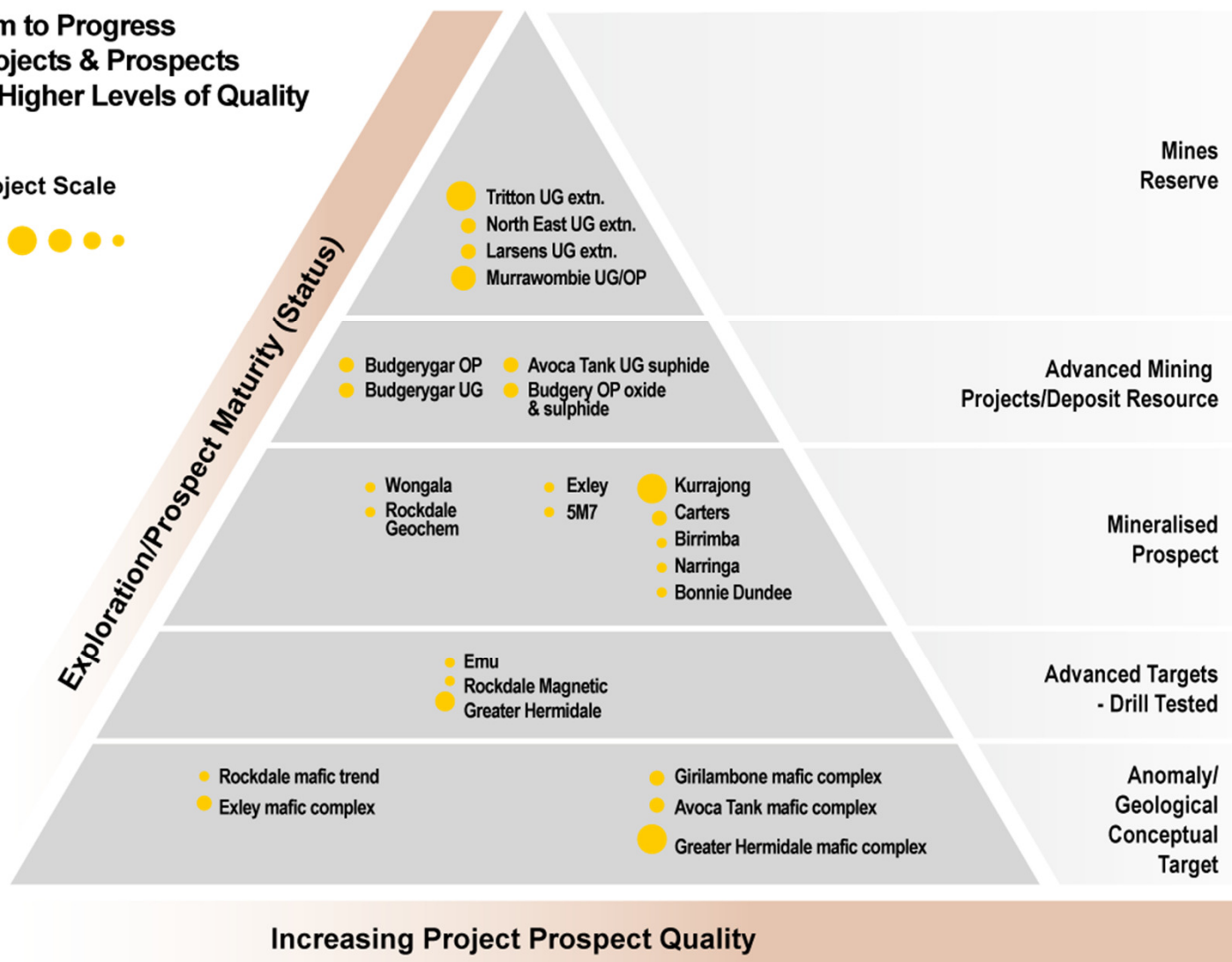
- Mobile fleet workshop
- Paste fill plant for Tritton U/G
- Road Haulage

Tritton: Resource Development Pipeline

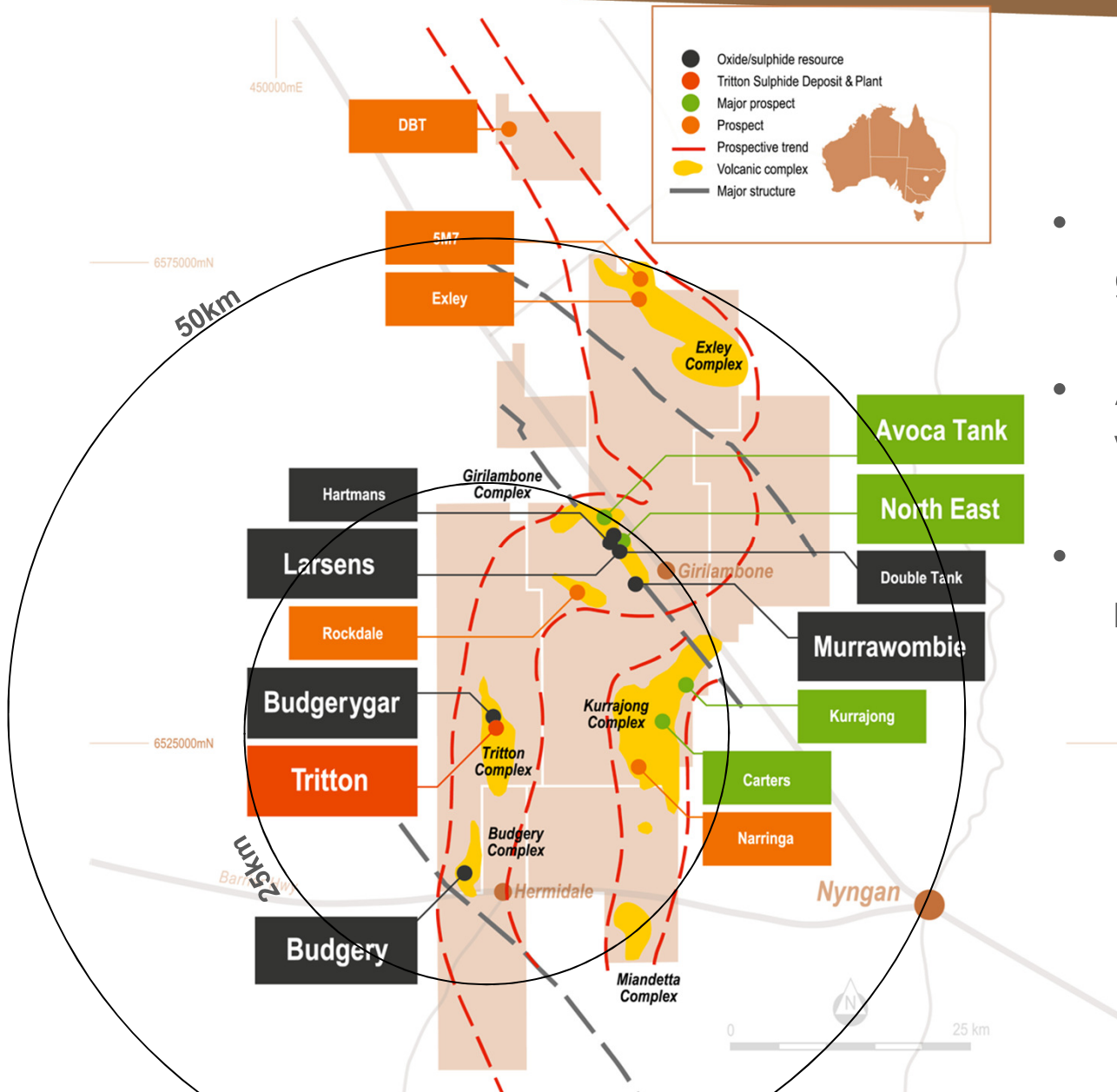


Aim to Progress
Projects & Prospects
to Higher Levels of Quality

Project Scale



Target Reserve Development Pipeline



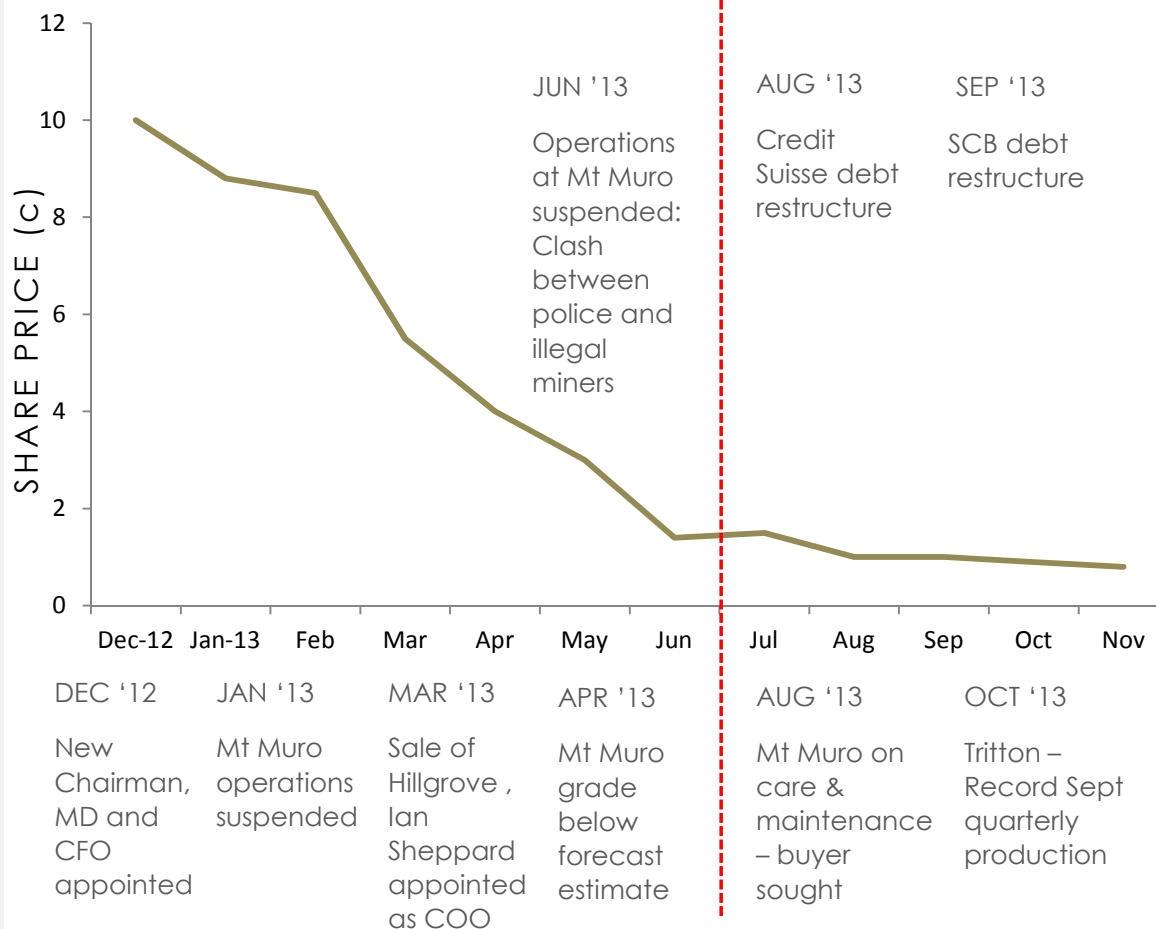
- Highly prospective geological region
- All current resources within 25km radius
- Potential for significant reserve increase

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 NOV '13

- Market cap ~\$A10M
- ✓ Strong team
- ✓ Clear focus: copper assets
- ✓ Lean corporate structure
- ✓ Operations Cashflow POSITIVE
- ✓ Record production at Tritton
- ✓ Debt reducing

Strategy for FY2014



- **Focus on Production** – Target ~25,000 tonnes of copper (FY2013: ~23,000t)
- **Finalise exit of Mt Muro** - Divestment or closure of Mt Muro gold mine
- **Debt Restructure** - Continue to improve debt position
- **Rightsizing** - Accelerate value extraction from non-core assets





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Thank you

Any questions?

Mineral Resource - Tritton Area



Mineral Resource Statement as at 30 June 2013

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
Grand Total (Tritton Operations)	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



Ore Reserve Statement as at 30 June 2013

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