



Straits Resources Company Update

ASX: SRQ

Established Copper Producer • Solid Project Pipeline • Exploration Upside

24 March 2015

For personal use only

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 Persons Statement

The information in this brochure that relates to the Mineral Resources and Ore Reserves for the Tritton Operations (with the exception of the Mineral Resources for the Budgery and Budgerygar Projects) is extracted from the announcement “Tritton Copper Operations: Updated Mineral Resources Estimates as at 30 June 2014” which was released on the ASX on 17 September 2014. Straits Resources is not aware of any new information or data that materially affects the information in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves for the Tritton Operations continue to apply and have not materially changed.

The information in this brochure relating to Mineral Resources for the Budgery and Budgerygar Projects is based on, and fairly represents, information and supporting documentation prepared by Mr Byron Dumpleton, Member of the Australian Institute of Geoscientist (Member No 1598). This information is extracted from the announcement “Tritton Copper Operations: Updated Mineral Resources Estimates as at 30 June 2014” which was released on the ASX on 17 September 2014. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. It is the intention of Straits Resources to report both Mineral Resources to the 2012 Code in the future, if there is a material change to the estimates. Mr Dumpleton is a full time employee of BKD Resources Pty Ltd (ABN 81 109 376 481) and acting as the Mineral Resource Manager for Straits Resources Limited at 30 June 2014. Mr Dumpleton has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Dumpleton has disclosed to Straits Resources Limited the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Dumpleton owns 61,349 shares in Straits Resources Ltd which were issued as part of the company share plan in 2010 when Mr Dumpleton was a staff member of Straits Resources Limited.

Company Snapshot

- ▶ Established Producer: Among Australia's top 5 independent copper producers by volume (>27,000tpa)
- ▶ Large portfolio of growth projects
- ▶ Excellent exploration potential
- ▶ Board and management team: successful track record in corporate and operational turnaround
- ▶ Clear vision, strategy and opportunity

Company Management

Board of Directors

- ▶ Andre Labuschagne
- ▶ Alastair Morrison
- ▶ Michele Muscillo

Executive Chairman
Non-executive Director
Non-executive Director

Executive Management

- ▶ Rob Brainsbury
- ▶ Ian Sheppard
- ▶ John Miller
- ▶ Brad Cox

Chief Financial Officer
Chief Operating Officer
General Manager – Tritton Operations
Geology Manager

Vision

- ▶ To become a mid-sized, multi-mine company, delivering shareholder value through an unwavering focus on operational excellence

Company Turnaround

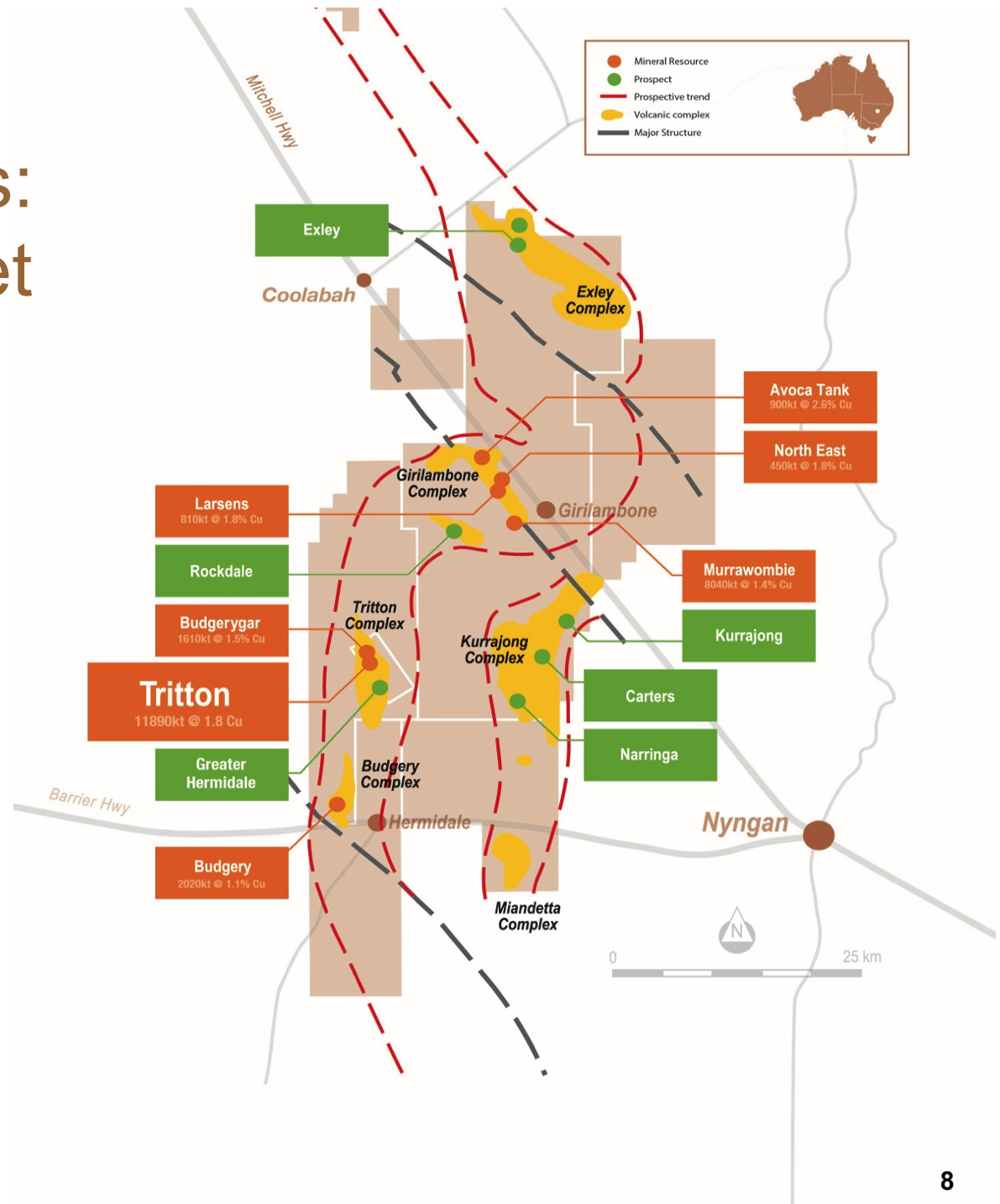
- ▶ New Management Team commenced December 2012
- ▶ Asset rationalisation
 - ▶ Mt Muro closed
 - ▶ Non-Core assets divested
- ▶ Improved operational performance
 - ▶ Record production at Tritton
 - ▶ Cost reduction strategies at Tritton implemented
 - ▶ Tritton generating positive operating cash flow
- ▶ Reduced overheads, secured the future
 - ▶ Corporate Office downsized and relocated
 - ▶ Investing in people and equipment
 - ▶ Increased Tritton Life of Mine to at least 2023
- ▶ Restructured balance sheet
 - ▶ Credit Suisse debt restructure completed
 - ▶ Restructure with Standard Charter Bank (SCB) imminent

Completion of debt restructure with SCB will be trigger to pursue growth
(Organic and M&A)

Established Copper Producer

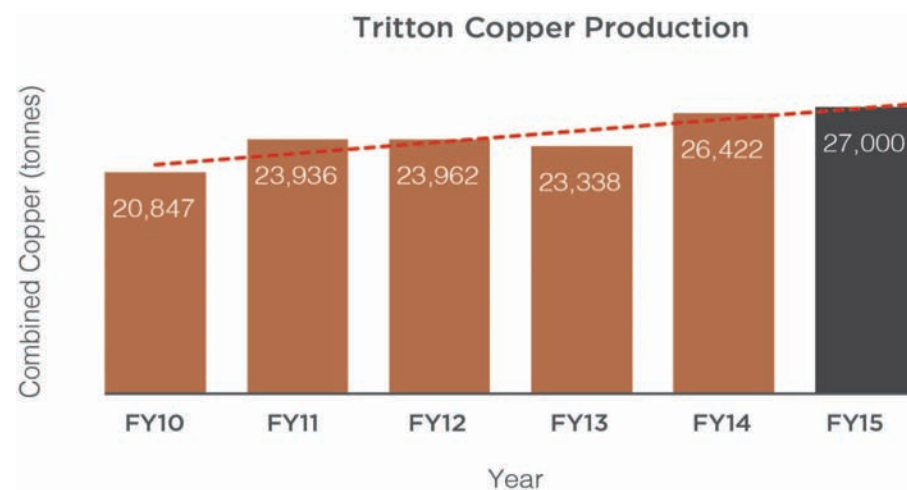
Tritton Operations: Cornerstone Asset

- ▶ Proven copper producer
 - ▶ Multiple mines
 - ▶ Established infrastructure
- ▶ Long mine life
 - ▶ Portfolio of growth projects
 - ▶ Large copper inventory
- ▶ Exploration upside
 - ▶ Proven copper field
 - ▶ Large portfolio of exploration targets/prospects



Tritton Operations

- ▶ Reliable and growing copper production: >27,000 tpa
- ▶ 1.6mtpa Processing Plant
- ▶ Multiple ore sources: Currently mining the Tritton and North East/Larsens deposits
- ▶ Setting new mining and processing records
- ▶ Minimum Mine Life to 2023
- ▶ JORC Ore Reserves contained copper ~ 171kt*
- ▶ JORC Mineral Resource contained copper ~ 420kt*
- ▶ Large portfolio of growth projects and exploration targets
- ▶ Proven Copper district – excellent potential for further discoveries

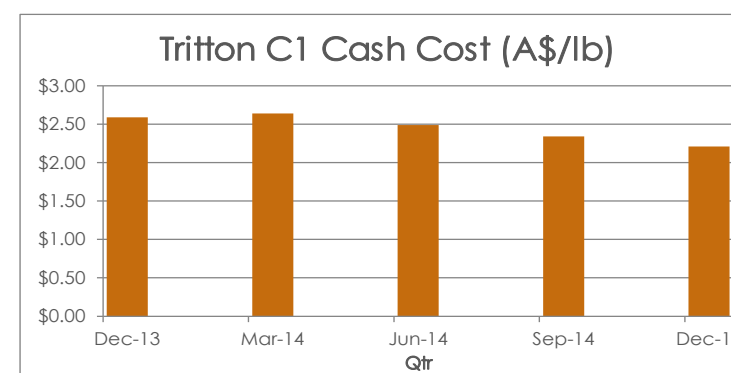
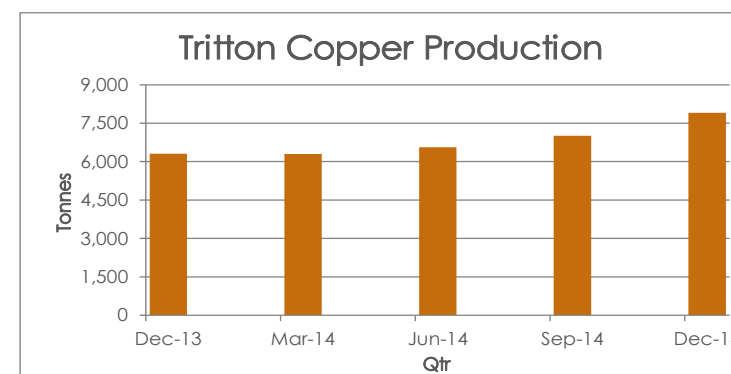


*As at 30 June 2014

Tritton Operations: Turnaround strategy

Refocus on planning, people and maintenance:

- ▶ Production: UP
 - ▶ New quarterly production record of 7,904 tonnes in Dec Q14
- ▶ Costs: DOWN
 - ▶ Includes significant investment in maintenance to improve underground fleet availability
- ▶ Maintenance: IMPROVING
 - ▶ Plant utilisation and throughput rates increased
 - ▶ Truck and Loader availability up
- ▶ Mine Life: EXTENDED TO AT LEAST TO 2023
 - ▶ Advanced projects to mining ready / PFS / scoping stages
- ▶ High potential exploration: TARGETS IDENTIFIED
 - ▶ Promising recent EM and aircore results



Tritton Operations: Two Underground Mines

- ▶ Tritton underground mine:
1.3mtpa @ 1.9% Cu
- ▶ North East / Larsens:
300ktpa @ 1.8% Cu



Tritton Operations: 1.6 mtpa Processing Plant

- ▶ Running above name plate capacity
- ▶ 94% recovery
- ▶ 24% copper concentrate grade



Tritton Operations: Maintenance & Fleet Strategy

- ▶ 2013 /14 - significant investment in operating maintenance and fleet rebuilds
- ▶ 2014 /15 - focus on fleet availability to underpin production
- ▶ Process plant debottlenecking continues – plans to increase throughput to 1.8mtpa



Tritton Operations: Established Infrastructure

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



Strong Copper Inventory

Ore Reserves increased by 45kt of contained copper (net of depletion) in FY2014

TRITTON OPERATIONS - Mineral Resource Statement as at 30 June 2014

	Measured	Indicated	Inferred	Total
Tonnes (kt)	2,591	16,150	7,030	25,771
Cu (%)	2.3	1.6	1.4	1.6

TRITTON OPERATIONS - Ore Reserve Statement as at 30 June 2014

Commodity	Proved	Probable	Total
Tonnes (kt)	2,446	8,159	10,604
Cu (%)	1.9	1.5	1.6

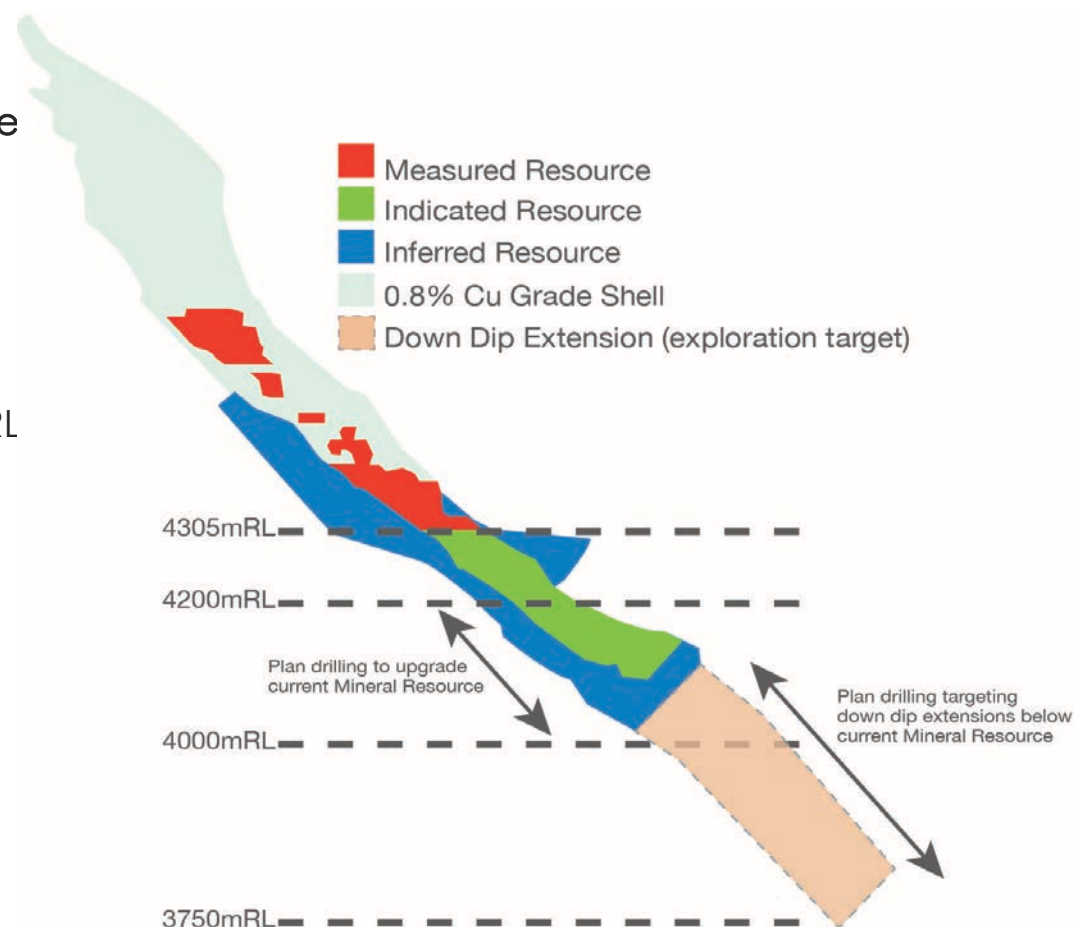
Large Pipeline of Growth Projects to Extend Mine Life

Tritton Deep

Depth extensions to Tritton orebody – single largest opportunity for significant ore reserve conversion:

- ▶ Ore Reserve 5Mt @ 1.8% Cu*
- ▶ Mineral Resource 11Mt @ 1.8% Cu*
- ▶ Current Ore Reserve extends to 4,200mRL
- ▶ Mineral Resource extends to 4,000mRL
- ▶ Mineralisation remains open at depth
- ▶ Multi-phase drill program designed to increase mineral resource confidence and extend to 3800mRL
- ▶ Drilling to commence in Q2 CY15

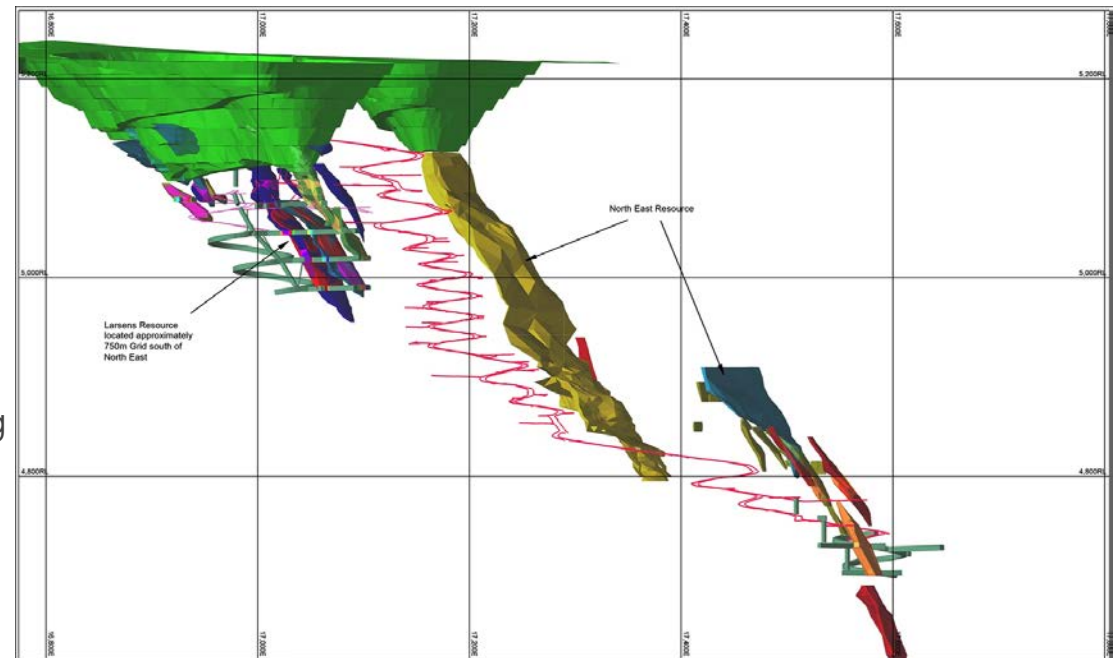
*As at 30 June 2014



North East / Larsens

Targeting additional resources to extend Mine Life

- ▶ Ore Reserve 0.9Mt @ 1.6% Cu*
- ▶ Mineral Resource 1.3Mt @ 1.8% Cu*
- ▶ Deposits located in north of Girilambone Complex
- ▶ Near-mine resource definition drilling planned seeking to extend the deposits and LOM
- ▶ Typical for small mines – exploration precedes mining by 1 to 2 years as mining follows lodes down-dip



*As at 30 June 2014

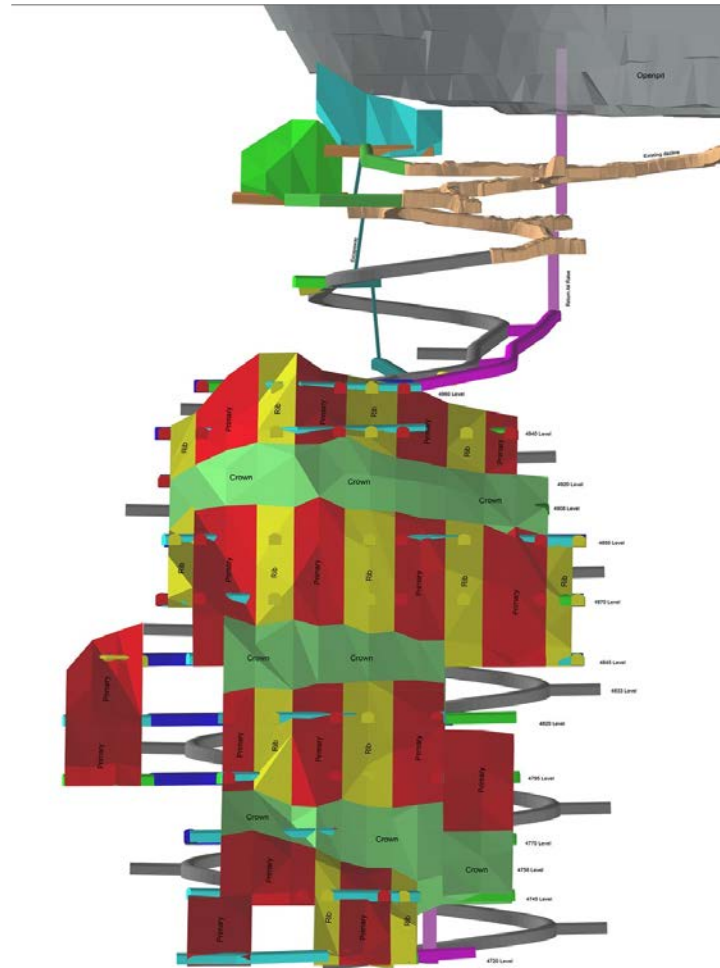
Murrawombie Underground

PFS completed and approvals secured

- ▶ Ore Reserve: U/G 3.3Mt @ 1.3% Cu*
- ▶ Mineral Resource: 8Mt @ 1.4% Cu**
- ▶ Largest copper inventory outside Tritton Deposit: 110,000t contained Cu
- ▶ PFS completed for U/G mine – extraction of sulphide ore
- ▶ Regulatory approvals secured

*As at 30 June 2014.

**Includes Mineral Resources for Murrawombie Open Pit

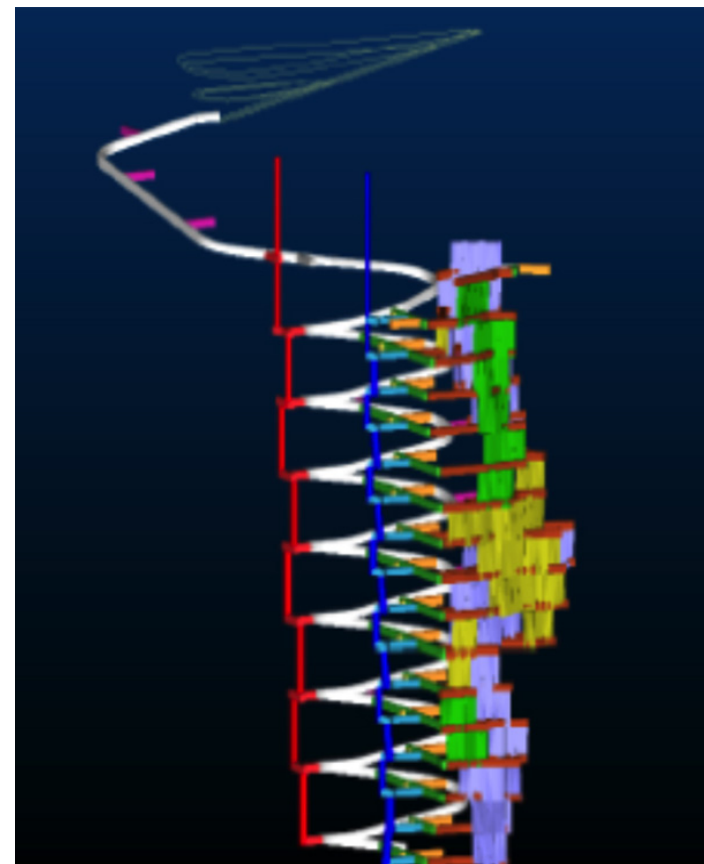


Avoca Tank

PFS completed

- ▶ Ore Reserve: 680kt @ 2.5% Cu*
- ▶ Mineral Resource: 903kt @ 2.6% Cu*
- ▶ Far north of Girilambone Complex located 2km north of current mining at North East/ Larsens
- ▶ Provide higher grade supplementary feed for Tritton Operations
- ▶ Mining lease application being prepared
- ▶ Deposit open below 450m vertical
- ▶ Strong potential for further discoveries

*As at 30 June 2014



Murrawombie Open Pit Extension

PFS completed

- ▶ Ore Reserve: 0.7Mt @ 1.2% Cu*
- ▶ Modest expansion (cut-back) of Murrawombie Open Pit
- ▶ Cut-back to access 700kt of sulphide ore
- ▶ Mining of pit expansion to assist with final closure of heap leach pads and save on mine rehabilitation costs
- ▶ Scheduled to follow underground project



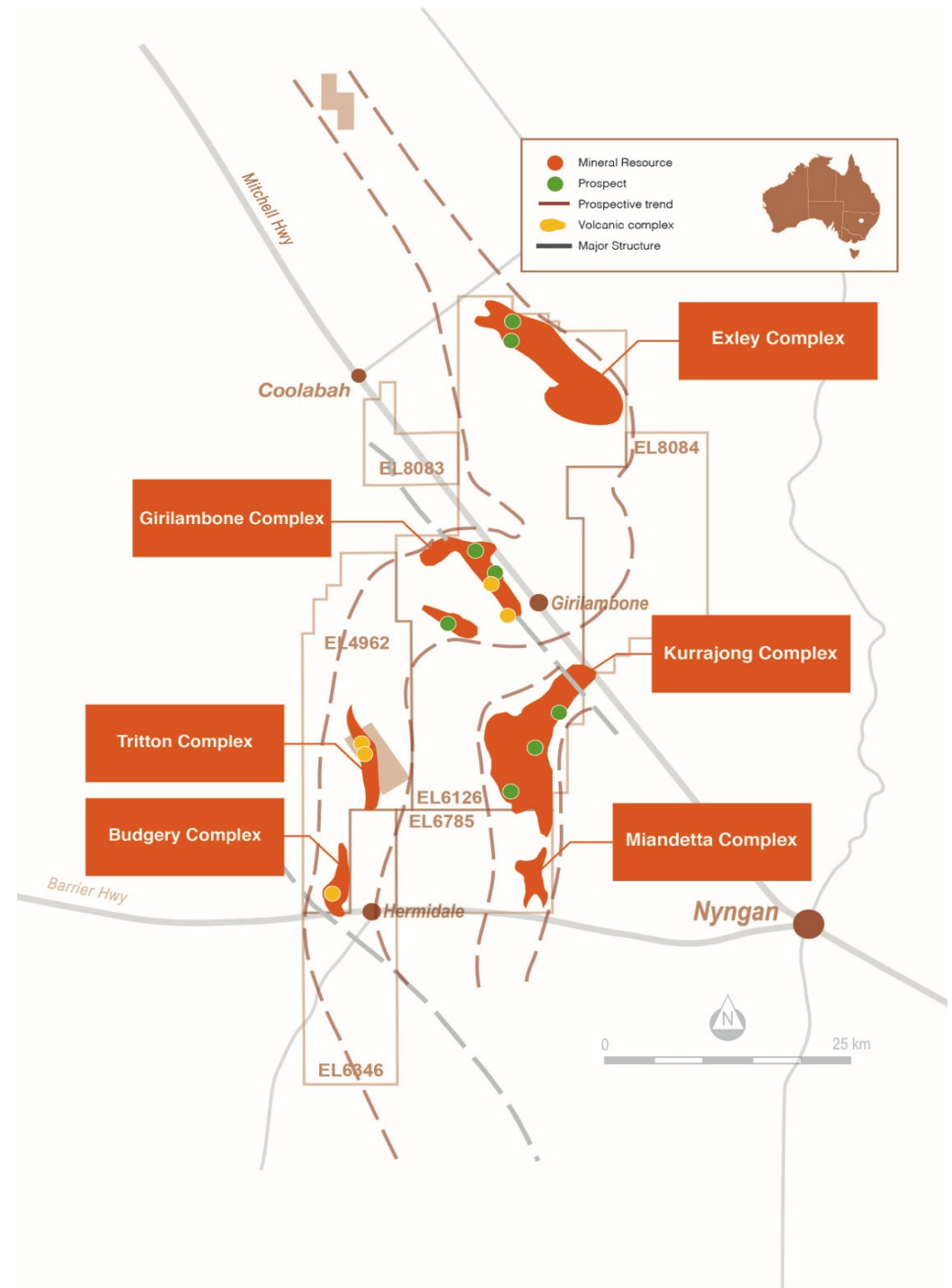
*As at 30 June 2014

Excellent Exploration Potential

Significant Ground Position in Proven Copper Field

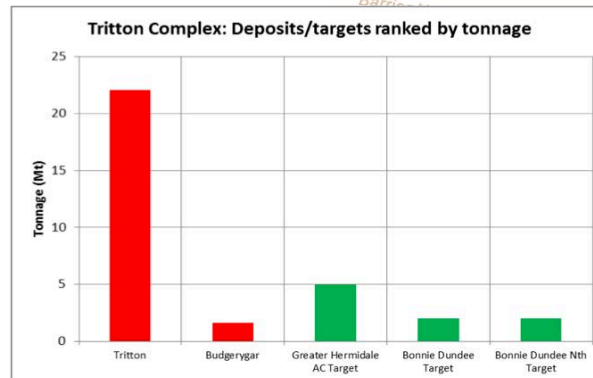
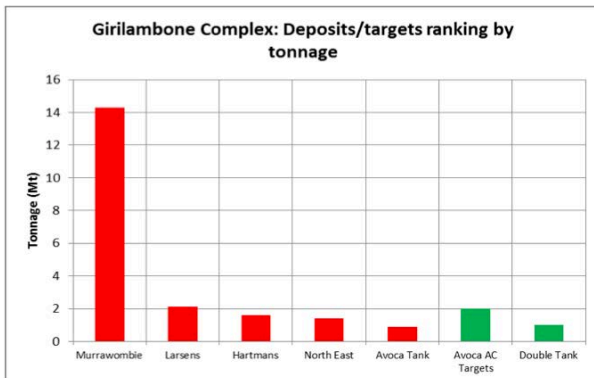
“Besshi” style VMS orebodies generally occur in clusters

- ▶ Tritton region hosts “Besshi” style VMS deposits
- ▶ Mining to date has been from Girilambone and Tritton complexes – multiple deposits discovered in each
- ▶ Huge exploration potential
 - ▶ Multiple new mafic complexes already identified
 - ▶ Under-explored tenements
 - ▶ Many drill ready targets
 - ▶ New technology able to “see” deeper



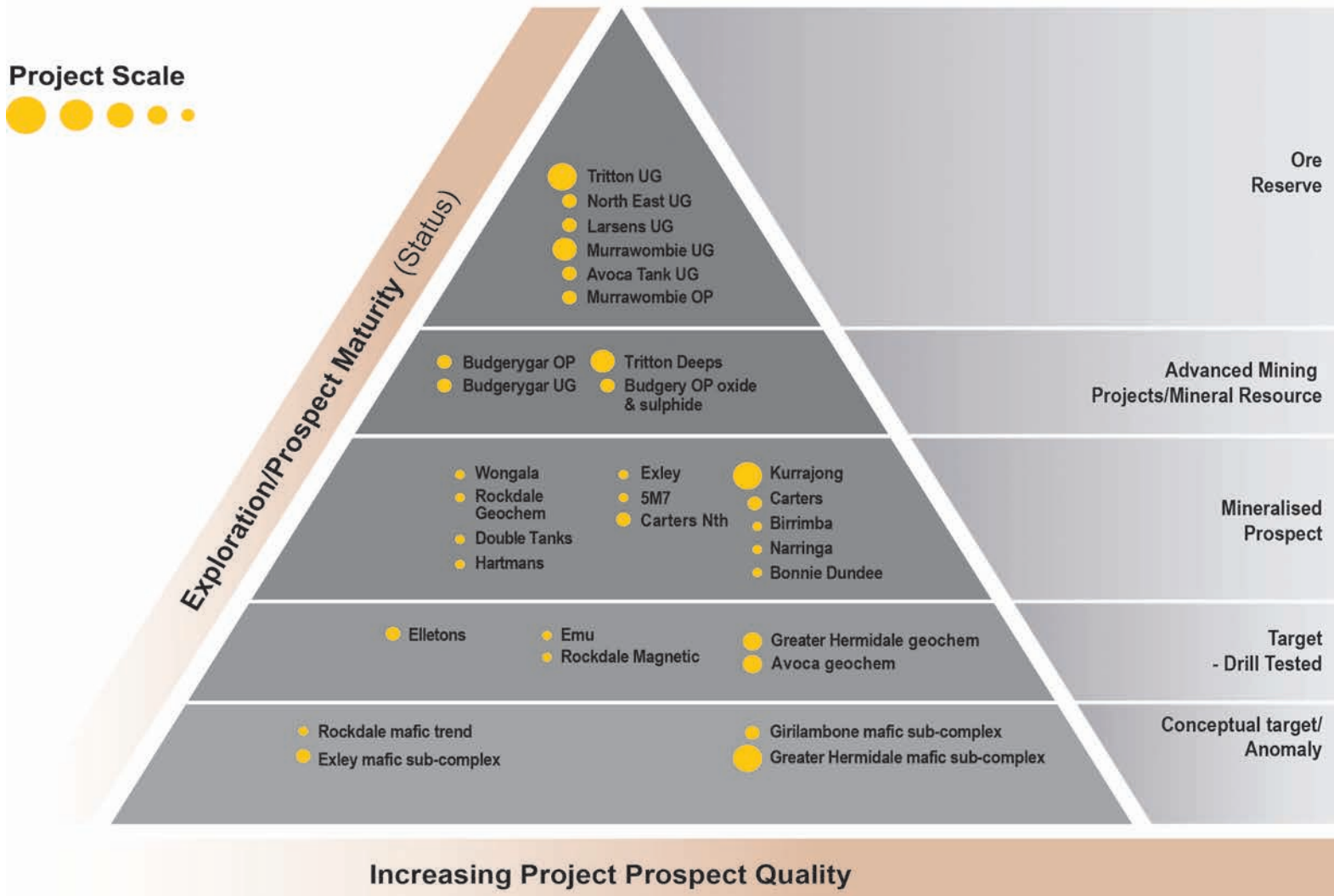
Proven Exploration Success

Two complexes mined to date characterised by one large deposit (10-20Mt) with multiple smaller (1-5Mt) deposits



Target Rich Tenement Package

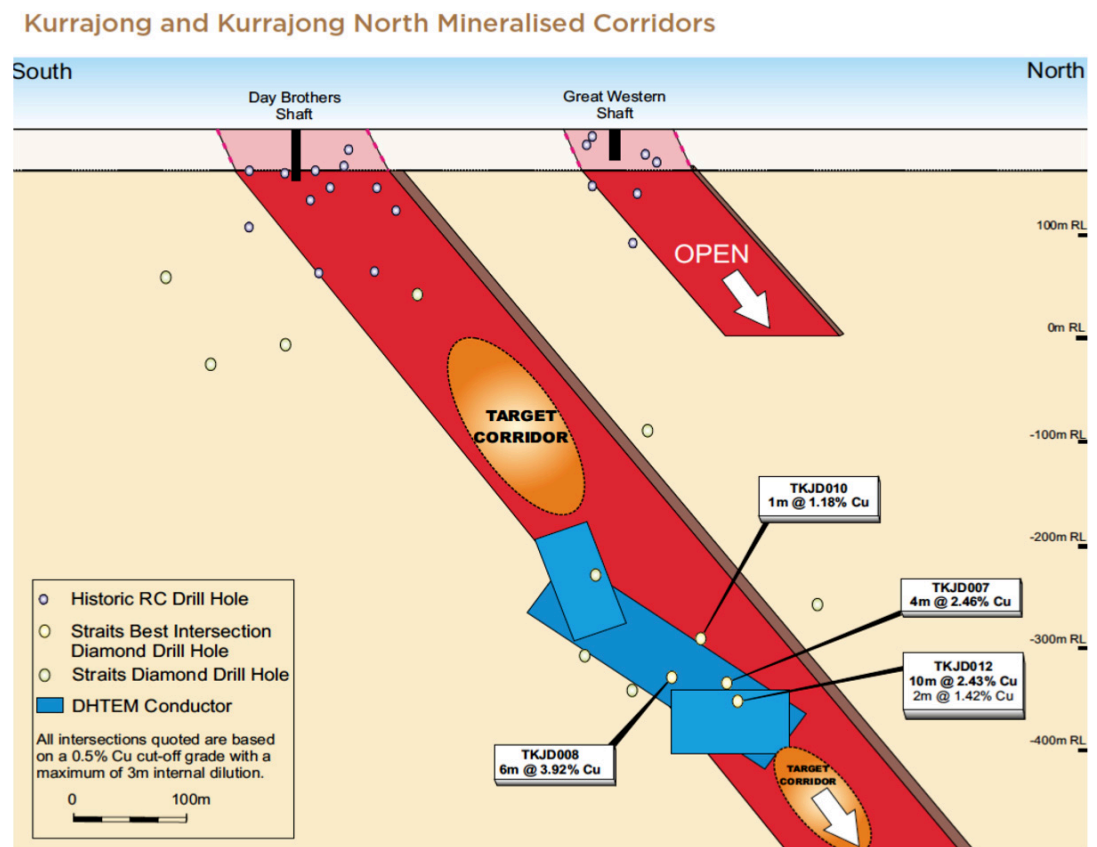
Aim to Progress Projects & Prospects to Higher Levels of Quality



For personal use only

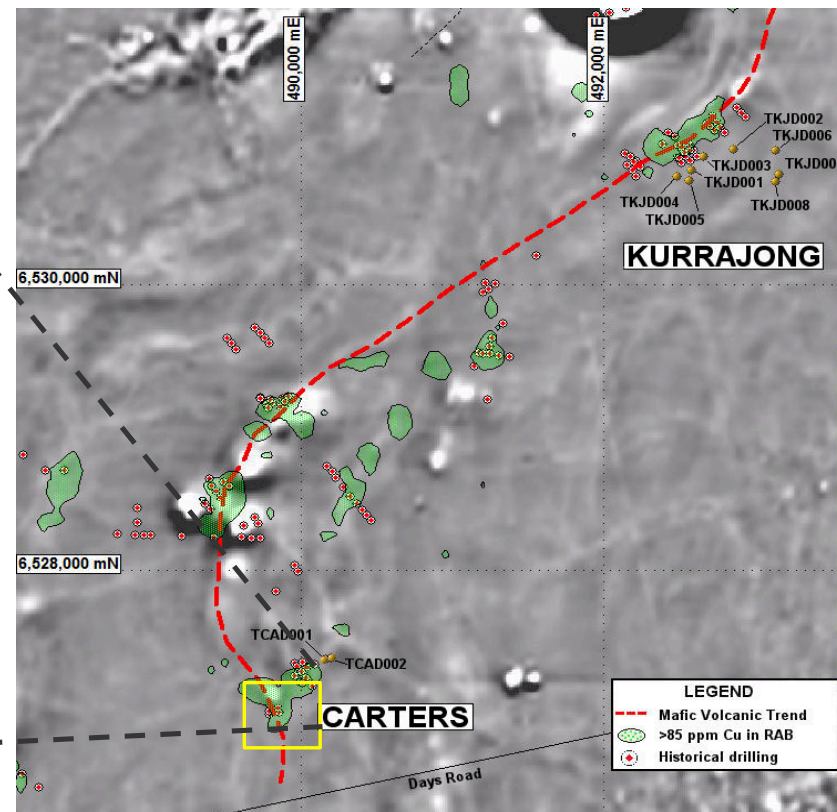
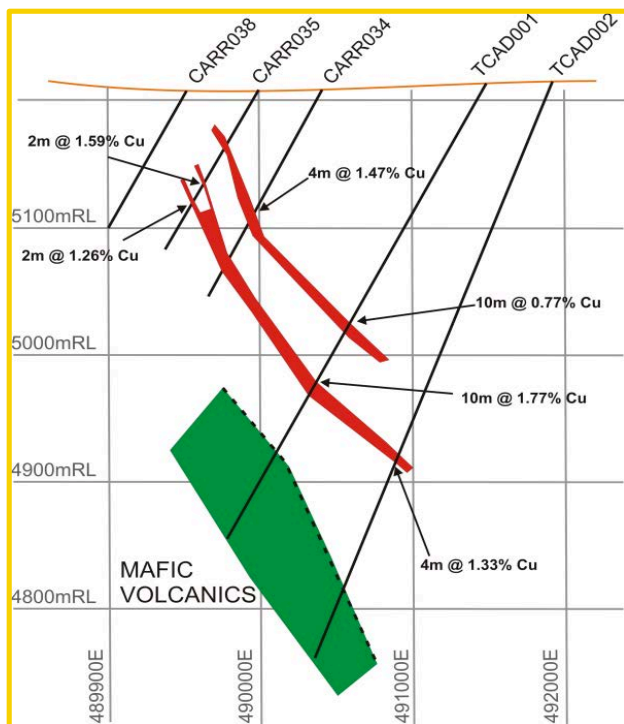
High Potential Targets: Kurrajong

- ▶ EM signature twice the size of Tritton
- ▶ All recent holes intersected mineralisation
- ▶ Three holes indicated grades above 2% Cu
- ▶ \$1m drilling program required to commit to resource drill-out
- ▶ Target 10Mt at >2%



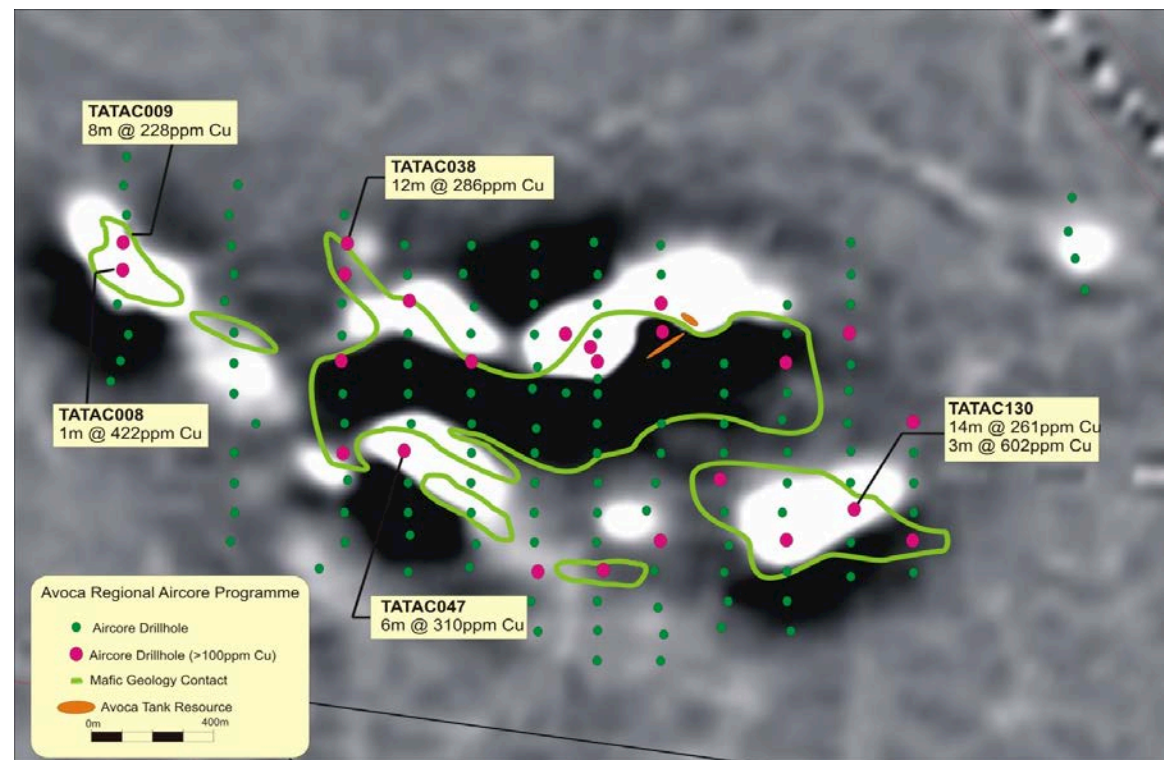
High Potential Targets: Carters

- ▶ Exciting results from limited drilling
- ▶ Many untested targets in close proximity to Carters
- ▶ Hard work completed – ready to drill



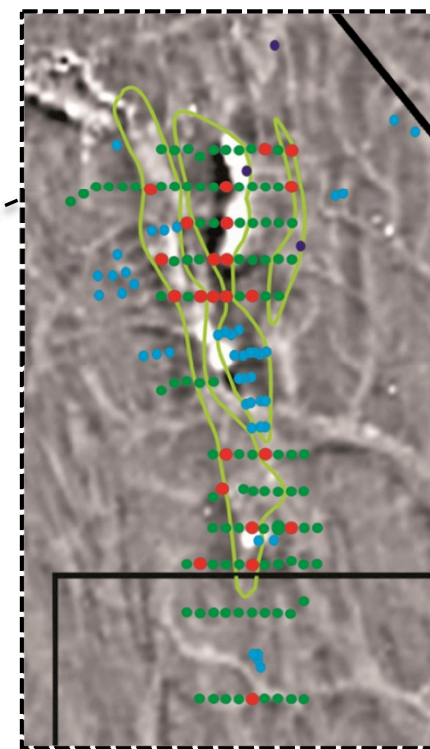
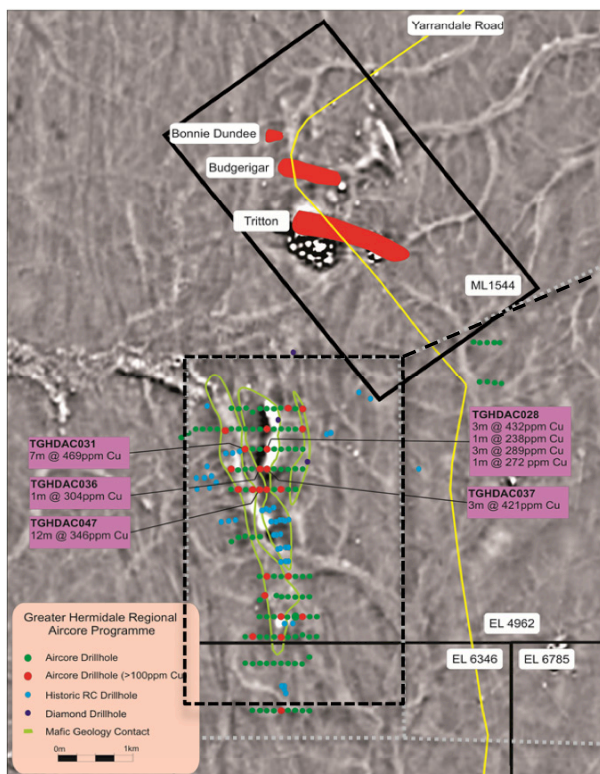
High Potential Targets: Avoca Tank Repeats

- ▶ Avoca Tank Ore Reserve (April 2014): 680kt @ 2.5% Cu, 0.8g/t Au
- ▶ VMS deposits typically occur in clusters
- ▶ Remainder of the magnetic high complex is under-explored
- ▶ Recent aircore drilling delivered exciting results adjacent to known orebody
- ▶ RC drilling programme being planned



High Potential Targets: Greater Hermidale

- ▶ Along strike from Tritton
- ▶ Significant strike extent
- ▶ Exciting recent results
- ▶ Anomalous Cu adjacent to EM anomaly
- ▶ Drill program planned to test targets



Investment Opportunity: Poised for Growth

- ▶ Established and growing copper producer (>27,000tpa)
- ▶ Tritton Operations performing at record levels
- ▶ Board and management team with a proven track record and clear vision and strategy
- ▶ Exciting portfolio of advanced growth projects
- ▶ Extensive landholding in a highly prospective, under-explored copper region
- ▶ Major lender supportive of debt restructuring to imminent deadline – final step in turnaround strategy
- ▶ Strong leverage to future copper price upside and exploration success

VISION: To become a mid-sized, multi-mine company, delivering shareholder value through an unwavering focus on operational excellence

Thank You

Straits Resources Limited

Level 2, HQ South Tower,
520 Wickham Street,
Fortitude Valley 4006
Brisbane QLD, Australia

EMAIL info@straits.com.au

TEL +61 7 3034 6200

FAX +61 7 3034 6290

www.straits.com.au

Appendices

Appendix 1

Corporate Overview

Capital Structure	
ASX Code	SRQ
Ordinary Shares	1.217bn
Share Price (at 20 Mar 2015)	0.4¢
Market Capitalisation	A\$4.9M
Cash & Receivables (at 31 Dec 2014)	A\$12M
Borrowings (at 31 December 2014)**	A\$162M

Major Shareholders		
Standard Chartered Private Equity Ltd	214,663,735	17.63%
Glencore Finance (Bermuda) Ltd	131,513,135	10.80%
Ruffer LLP	64,724,395	5.32%

** (excludes security deposits of A\$14.3M)

Appendix 2

2014 Mineral Resource - Tritton Mines Area

As at 30 June 2014

	June 2014			June 2013		
	Tonnes (kt)	Cu (%)	Cu (kt)	Tonnes (kt)	Cu (%)	Cu (kt)
Tritton Underground						
Measured	2,340	2.3	54	2,050	2.0	41
Indicated	5,660	1.7	98	7,530	1.7	131
Total M + I	8,000	1.9	153	9,580	1.8	172
Inferred	3,400	1.5	51	1,900	2.2	42
TOTAL	11,400	1.8	203	11,480	1.9	214
Tritton Pillars (Recoverable)						
Measured	-	-	-	-	-	-
Indicated	490	2.6	13	380	2.6	10
Total M + I	490	2.6	13	380	2.6	10
Inferred	-	-	-	-	-	-
TOTAL	490	2.6	13	380	2.6	10
Murrawombie						
Measured	-	-	-	-	-	-
Indicated	6,530	1.4	91	6,530	1.4	91
Total M + I	6,530	1.4	91	6,530	1.4	91
Inferred	1,510	1.2	19	1,510	1.2	19
TOTAL	8,040	1.4	110	8,040	1.4	110
North East						
Measured	200	2.2	4	30	2.4	1
Indicated	150	1.8	3	250	1.9	5
Total M + I	350	2.0	7	280	1.9	5
Inferred	100	1.2	1	60	1.8	1
TOTAL	450	1.8	8	340	1.9	7
Larsens						
Measured	-	-	-	-	-	-
Indicated	810	1.8	15	810	1.8	15
Total M + I	810	1.8	15	810	1.8	15
Inferred	-	-	-	-	-	-
TOTAL	810	1.8	15	810	1.8	15
Avoca Tank						
Measured	-	-	-	-	-	-
Indicated	770	2.9	22	710	2.8	20
Total M + I	770	2.9	22	710	2.8	20
Inferred	130	1.0	1	140	1.0	1
TOTAL	900	2.6	24	850	2.5	22

For personal use only

Appendix 2 (cont'd)

2014 Mineral Resource - Other Projects

As at 30 June 2014

	June 2014					June 2013				
	Tonnes (kt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)	Tonnes (kt)	Cu (%)	Au (g/t)	Cu (kt)	Au (koz)
Drummond Basin - Yandan										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-
Total M + I	-	-	-	-	-	-	-	-	-	-
Inferred	4,100	-	2.4	-	316	4,100	-	2.4	-	316
TOTAL	4,100	-	2.4	-	316	4,100	-	2.4	-	316
Blayney - Discovery Ridge										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	4,780	-	1.3	-	195	4,780	-	1.3	-	195
Total M + I	4,780	-	1.3	-	195	4,780	-	1.3	-	195
Inferred	9,060	-	1.1	-	306	9,060	-	1.1	-	306
TOTAL	13,840	-	1.1	-	501	13,840	-	1.1	-	501
Blayney - Bald Hill										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-	-
Total M + I	-	-	-	-	-	-	-	-	-	-
Inferred	37,040	-	0.5	-	595	37,040	-	0.5	-	595
TOTAL	37,040	-	0.5	-	595	37,040	-	0.5	-	595
Temora - porphyry copper gold projects										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	26,000	0.3	0.5	84	388	26,000	0.3	0.5	84	388
Total M + I	26,000	0.3	0.5	84	388	26,000	0.3	0.5	84	388
Inferred	253,000	0.3	0.2	742	1,677	253,000	0.3	0.2	742	1,677
TOTAL	279,000	0.3	0.2	826	2,065	279,000	0.3	0.2	826	2,065
Temora - Gidginbung										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	11,100	0.1	1.0	8	369	11,100	-	1.0	-	369
Total M + I	11,100	0.1	1.0	8	369	11,100	-	1.0	-	369
Inferred	12,700	0.1	0.9	8	379	12,700	-	0.9	-	379
TOTAL	23,800	0.1	1.0	16	748	23,800	-	1.0	-	748

1. Mineral Resource cut-off grades: 0.5g/t Au Drummond Basin - Yandan, 0.5g/t Au, Blayney - Discovery Ridge 0.3g/t Au, Blayney - Bald Hill, 0.3% Cu Eq Temora porphyry copper gold projects and 0.5g/t Au Temora - Gidginbung.

2. Discrepancy in summation may occur due to rounding.

The Yandan, Discovery, Bald Hills, Temora, porphyry projects and Gidginbung Mineral Resource are reported to the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that there has been no material change in the estimate since the last public reporting. It is the intention of Straits Resources to report Mineral Resources to the 2012 Code in the future, if there is a material change to the estimates. The data in this report for Yandan, Discovery, Bald Hills, Temora porphyry projects and Gidginbung Mineral Resources are based on information reviewed by Mr Byron Dumbleton. Mr Dumbleton has sufficient experience that is relevant to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dumbleton has disclosed to Straits Resources Limited the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Dumbleton owns 61,349 shares in Straits Resources Ltd which were issued as part of the company share plan in 2010 when Mr Dumbleton was a staff member of Straits Resources Limited. Mr Dumbleton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 2 (cont'd)

2014 Mineral Resource - Tritton Mines Area

As at 30 June 2014

	June 2014			June 2013		
	Tonnes (kt)	Cu (%)	Cu (kt)	Tonnes (kt)	Cu (%)	Cu (kt)
Budgerygar						
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Total M + I	-	-	-	-	-	-
Inferred	1,610	1.5	24	1,610	1.5	24
TOTAL	1,610	1.5	24	1,610	1.5	24
Budgery						
Measured	-	-	-	-	-	-
Indicated	1,740	1.1	19	1,740	1.1	19
Total M + I	1,740	1.1	19	1,740	1.1	19
Inferred	280	0.9	3	280	0.9	3
TOTAL	2,020	1.1	22	2,020	1.1	22
Stockpiles						
Measured	51	1.6	0.8	50	1.5	0.7
Indicated	-	-	-	-	-	-
Total M + I	51	1.6	0.8	50	1.5	0.7
Inferred	-	-	-	-	-	-
TOTAL	51	1.6	0.8	50	1.4	0.7
Total						
Measured	2,591	2.3	60	2,130	2.0	43
Indicated	16,150	1.6	262	17,950	1.6	291
Total M + I	18,741	1.7	321	20,080	1.7	333
Inferred	7,030	1.4	99	5,500	1.6	89
TOTAL	25,771	1.6	420	25,580	1.7	423

1. Mineral Resource cut-off grade: 0.5% Cu for Budgery, 0.6% Cu for Murrawombie, Larsens and Avoca Tank and 0.8% Cu for North East, Budgerygar. Variable cut-off grades between 0.3% Cu to 0.8% Cu for Tritton and Tritton Pillars.
2. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.
3. Discrepancy in summation may occur due to rounding.
4. The data in this report that relate to Tritton Underground, Tritton Pillars, Murrawombie, North East, Larsens, Avoca Tank, Budgery and Budgerygar Mineral Resources are based on information reviewed by Mr Byron Dumpleton who is a Member of the Australian Institute of Geologists (AIG).

The Budgery and Budgerygar Mineral Resource are reported to the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' on the basis that there has been no material change in the estimate since the last public reporting. It is the intention of Straits Resources to report both Mineral Resources to the 2012 Code in the future, if there is a material change to the estimates. Mr Dumpleton is a full time employee of BKD Resources Pty Ltd (ABN 81 109 376 481) and acting as the Mineral Resource Manager for Straits Resources Limited at 30 June 2014. Byron Dumpleton has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dumpleton has disclosed to Straits Resources Limited the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. Specifically Mr Dumpleton owns 61,349 shares in Straits Resources Ltd which were issued as part of the company share plan in 2010 when Mr Dumpleton was a staff member of Straits Resources Limited. 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.

Appendix 2 (cont'd)

Ore Reserve

The June 2014 Ore Reserve estimate is a significant revision compared to the June 2013 estimate. The following items have contributed to the revised estimate;

- ▶ A first Ore Reserve estimate for the Avoca Tank deposit;
- ▶ A major revision of the mine plan for Murrawombie underground that has resulted in significant change in the Ore Reserve estimate for this deposit;
- ▶ A first Ore Reserve estimate for the Murrawombie open pit;
- ▶ A revision of the mine plan for the Larsens deposit to include mining of crown pillar stopes below the completed open pit as well as changes to stope design in response to the update of the Mineral Resource modelling;
- ▶ Revision of the Ore Reserve estimate for the North East deposit following additional drilling and update of the Mineral Resource estimate; and
- ▶ Revision of the Ore Reserve for the Tritton deposit following additional drilling and update of the Mineral Resource estimate.

All Ore Reserves estimates are for Tritton Operations area deposits.

Details of the Ore Reserve estimates can be found in the Mineral Resource and Ore Reserve reports on the Straits Resources web site. All estimates are reported according to the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Ore Reserve estimates have been developed assuming copper price of AUD\$7500 to AUD\$8470 per tonne.

The cut-off grade criteria for all deposits is copper grade, Cu%. There are no significant deleterious elements in the ore and the by-product value of gold and silver varies in proportion with the copper grade so inclusion within the cut-off grade criteria is not considered necessary. At the currently operating mines of Tritton and North East the cut-off grade is 1.2% copper applied at a whole of stope average grade.

All Ore Reserves are for sulphide ore that will be treated in the Tritton ore processing plant by flotation techniques. An average recovery of copper to concentrate of 93% to 94% is assumed, consistent with historical plant performance.

The mining method assumed in the Ore Reserve estimate varies with the deposit. At Tritton mine the method is sublevel open stoping with cemented paste fill. At North East and Larsens mines the method is uphole benching with no backfill. The yet to be developed Murrawombie underground project has been designed to use a stoping under dry fill with mass blasting of rib and crown pillar stopes. The yet to be developed Avoca Tank project is planned to use uphole benching with dry rock fill.

Ore Reserves are estimated following the application of modifying factors that account for dilution and ore loss. The factors applied vary with the deposit, detailed design of the stopes, fill exposures and planned extraction sequence. At the largest mine Tritton, the most common factors applied are 15.5% dilution and 12% ore loss. The dilution from the hanging wall is assumed to carry copper grade of approximately 0.7% to 0.8%, consistent with geology model estimates.

Details of the Ore Reserve estimate can be found in reports published on the Straits website.

Appendix 2 (cont'd)

2014 Ore Reserve - Tritton Mines Area

As at 30 June 2014

	June 2014			June 2013		
	Tonnes (kt)	Cu (%)	Cu (kt)	Tonnes (kt)	Cu (%)	Cu (kt)
Tritton Underground						
Proved	2,255	1.9	42	921	2.1	20
Probable	2,711	1.7	45	4,327	1.7	72
TOTAL	4,966	1.8	88	5,248	1.7	91
North East						
Proved	139	1.8	2	-	-	-
Probable	92	1.6	1	182	1.6	3
TOTAL	231	1.7	4	182	1.6	3
Larsens						
Proved	-	-	-	-	-	-
Probable	631	1.5	9	440	1.7	7
TOTAL	631	1.5	9	440	1.7	7
Murrawombie Underground						
Proved	-	-	-	-	-	-
Probable	3,342	1.3	43	1,370	1.7	23
TOTAL	3,342	1.3	43	1,370	1.7	23
Murrawombie Open Cut						
Proved	-	-	-	-	-	-
Probable	701	1.2	8	-	-	-
TOTAL	701	1.2	8	-	-	-
Avoca Tanks						
Proved	-	-	-	-	-	-
Probable	681	2.5	17	-	-	-
TOTAL	681	2.5	17	-	-	-
Stockpiles						
Proven	51	1.6	0.8	50	1.5	0.8
Probable	-	-	-	-	-	-
TOTAL	51	1.6	0.8	50	1.5	0.8
Total						
Proven	2,446	1.9	46	971	2.1	20
Probable	8,159	1.5	125	6,319	1.7	105
TOTAL	10,604	1.6	171	7,290	1.7	126

1. Discrepancy in summation may occur due to rounding

Mr Ian Sheppard, confirms that he is the Competent Person for the Straits Ore Reserves section of this Report and: Mr Sheppard has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Mr Sheppard is a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Sheppard is a Member of The Australasian Institute of Mining and Metallurgy, No. 105998. Mr Sheppard has reviewed the Report to which this Consent Statement applies. Mr Sheppard is a full time employee of Straits Resources Limited.