



25 November 2015

STRAITS RESOURCES LIMITED
(ASX: SRQ)

EXECUTIVE CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder

Ahead of our all-important Extraordinary General Meeting (EGM) on 15 December, I believe an update on your Company's operations and future growth strategy, outlined in my presentation to our Annual General Meeting today (attached) - may provide some valuable context.

Already an established copper producer, with multiple mines and a 1.6mtpa processing plant at our Tritton operations near Nyngan in New South Wales, we are also one of Australia's five largest independent copper producers by volume. In FY2015 the Tritton operations delivered record production of more than 30,000 tonnes.

Going forward, we have a very clear, two-pronged growth strategy. We have a portfolio of 'next-mine' projects which are well advanced and leverage Tritton's existing infrastructure and highly promising pipeline of identified priority exploration prospects with the potential to sustainably grow current reserves and resources,. At the same time, we will continue to evaluate suitable merger and acquisition opportunities to add to our portfolio of high-quality assets.

After a far-reaching corporate restructuring process spanning three years involving many difficult decisions, we are poised to turn this vision into reality. Subject to shareholder approval at next month's EGM, we have entered into a binding agreement with our major lender, Standard Chartered Bank for a longer-term debt restructure. Implementation of this agreement will substantially reduce and reprofile our corporate debt, introduce a new strategic partner in Special Portfolio Opportunity V Limited (PAG SPV) and reposition the Company for future growth.

Importantly the 12 EGM resolutions are interconnected. This means for any resolution to be passed, they all need to be passed. And so, regardless of the number of shares held, every single shareholder's vote is important. And so I urge all shareholders to please review the Notice of Meeting and Independent Expert's Report which were mailed out recently (also available on our website: www.Straits.com.au) and to please exercise their right to vote for the future of the Company.

As detailed in the meeting documentation, **your Directors unanimously recommend that you vote in favour of all resolutions.**

In closing, on behalf of Straits' Board and management team I thank you for your continued support and would like to reiterate our commitment and clear vision to become a mid-sized, multi-mine company, delivering shareholder value through an unwavering focus on operational excellence.

Should you have any questions in this regard, please do not hesitate to contact my office directly on: +61 7 3034 6200.

Yours sincerely



Andre Labuschagne
Executive Director

HOW TO VOTE: You can cast your vote by attending the EGM in person, or by appointing a proxy. Proxy forms are included with the Notice of Meeting sent to all shareholders.

You can also vote online via a link on our website: www.straits.com.au, but you will need either your Securityholder Registration Number (SRN) or Holder Identification Number (HIN) to complete the online voting form.

MEETING DETAILS:

Date: Tuesday, 15 December 2015
Time: 10.00am
Venue: HopgoodGanim Lawyers
Address: Level 7, Waterfront Place, 1 Eagle Street, Brisbane

For further information, please contact:

Mr. Andre Labuschagne
Executive Chairman
Tel: +61 7 3034 6200, or visit our website at www.straits.com.au

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AGM Presentation

25 November 2015

IMPORTANT NOTICE FOR SHAREHOLDERS

PLEASE TAKE *ACTION*

YOUR SUPPORT NEEDED AT 15 DECEMBER EGM
TO SECURE STRAITS' FUTURE

Established Copper Producer • Solid Project Pipeline • Exploration Upside

ASX: SRQ

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 Mineral Resource statement has been prepared by Mr Brad Cox. Mr Cox confirms that he is the Competent Person for all the Mineral Resources estimates summarised in this Report and he 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 Cox is a Competent Person as defined by the JORC Code, 2012 Edition, having relevant experience to the style of mineralisation and type of deposit described in the Report and to the activity for which he is accepting responsibility. Mr Cox is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM No. 220544). Mr Cox has reviewed the Report to which this Consent Statement applies. Mr Cox is a full time employee of Straits Resources Limited. With respect to the sections of this report for which Mr Cox is responsible – Mineral Resource estimates – Mr Cox consents to the release of the Mineral Resources Statements as at 30 June 2015 by the Directors of Straits Resources Limited.

Mr Ian Sheppard, confirms that he is the Competent Person for all the Ore Reserves estimates summarised in 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.

Mr Sheppard has disclosed to the reporting company 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 Sheppard has rights to 14,612,764 shares in Straits Resources Limited. Title to 9,741,842 shares has vested with the remainder to vest when a range of conditions have been satisfied as defined in an Employee Share Acquisition Plan - these conditions have not been met at this time. Mr Sheppard verifies that the Ore Reserve sections of this Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves. With respect to the sections of this report for which Mr Sheppard is responsible – Ore Reserve estimates – Mr Sheppard consents to the release of the Mineral Resources and Ore Reserves Statements as at 30 June 2015 by the Directors of Straits Resources Limited.

Your Company

- ▶ Established and growing copper producer (>28,000tpa guidance FY2016)
- ▶ 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
- ▶ Strong leverage to future copper price upside and exploration success
- ▶ Now in a position to focus on growth strategies

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

2015 – A Watershed Year

Asset rationalisation

- ▶ Mt Muro exited
- ▶ 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

- ▶ Investing in people and equipment
- ▶ Looking to extend Tritton Life of Mine

Restructured balance sheet

- ▶ Credit Suisse debt restructure done
- ▶ *Debt restructure - binding agreements signed with SCB and PAG to secure the future of the Company

*** Conditional on all Resolutions being passed at the EGM on 15 December. PLEASE ENSURE YOU VOTE**

Tritton Operations: continues to perform

Focus on planning, people and maintenance:

Production: UP

- ▶ New annual production record 30,245t

Costs: DOWN

- ▶ Includes significant investment in maintenance to improve underground fleet availability

Maintenance: IMPROVING

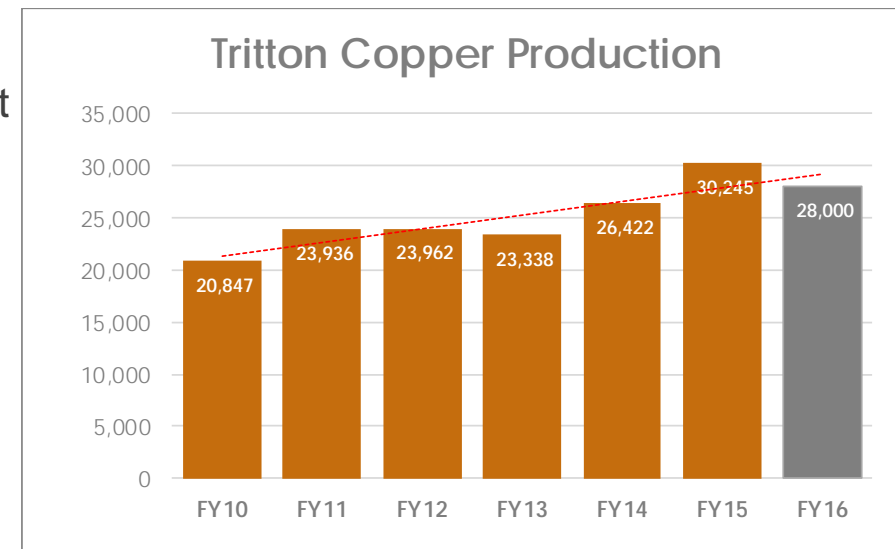
- ▶ Plant utilisation and throughput rates increased
- ▶ Truck and Loader availability up

Mine Life: EXTENDED

- ▶ Advanced projects to mining ready / PFS / scoping stages

High potential exploration: TARGETS IDENTIFIED

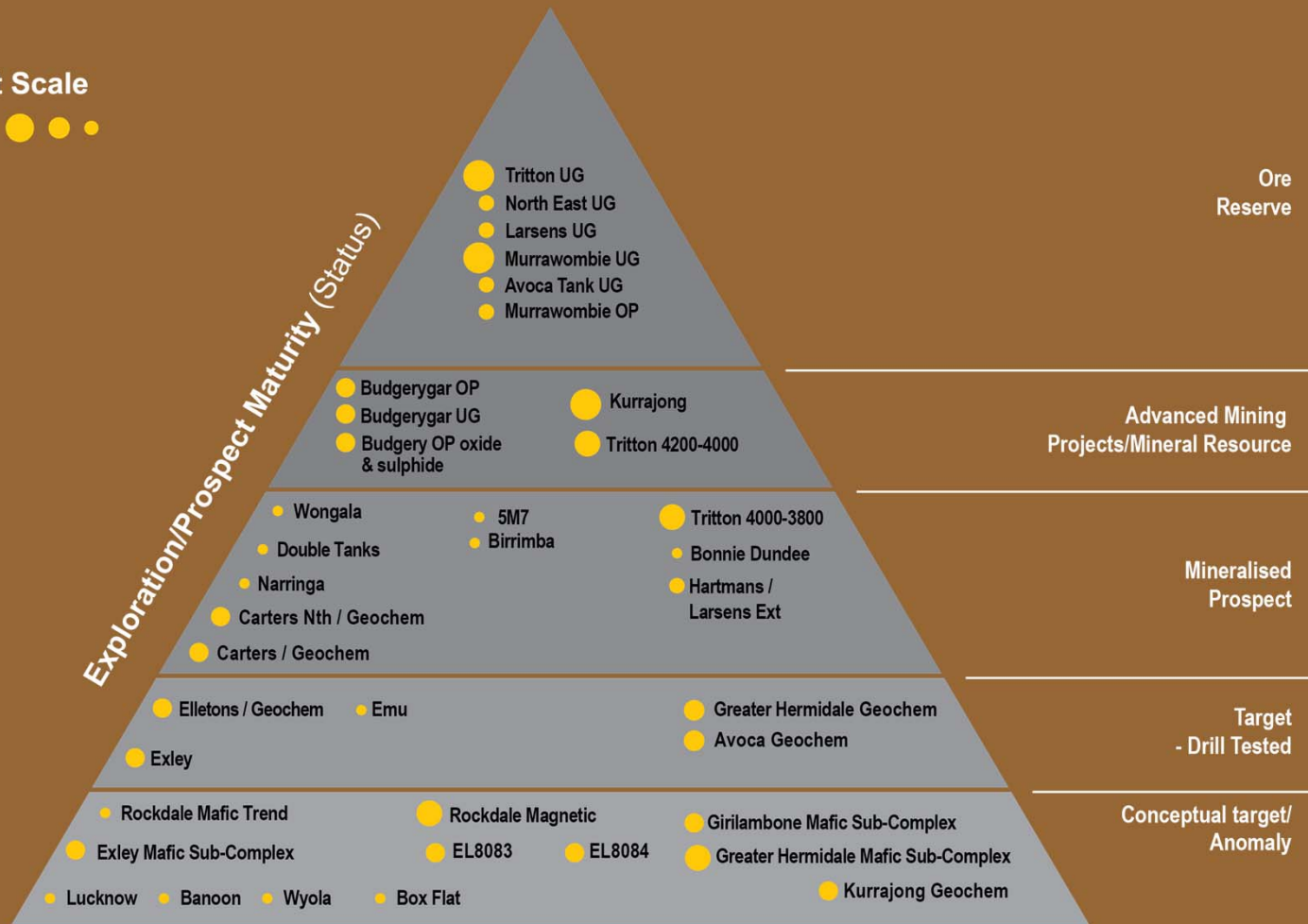
- ▶ Promising recent EM and aircore results



Target Rich Tenement Package

Aim to Progress Projects & Prospects to Higher Levels of Quality

Project Scale



Increasing Project Prospect Quality

Positioned for Growth

- Identified pipeline of advanced projects to extend Tritton Operations mine life
- Extensive portfolio of known, near-mine exploration projects in proven copper region
- Opportunity for new discoveries to leverage existing infrastructure at Tritton and drive shareholder value
- Introduction of strategic capital partner, Special Portfolio V Limited (PAG SPV), provide funding and support for M&A strategy, subject to debt restructure completing.

IMPORTANT NOTICE FOR ALL SHAREHOLDERS:
YOUR COMPANY NEEDS YOUR VOTE

- Have you received the Notice of Meeting and documents for the **Extraordinary General Meeting** to be held on **15 December**?
- **Your support is vital**: All 12 EGM Resolutions need to be approved to successfully conclude 3-year restructure process including longer-term debt solution to position Straits for future growth.

For more information – call us on +61 (0)7 3034 6200 or visit our website: www.Straits.com.au/VoteYes

How to Vote

- Send your completed Proxy by 13 December (10am Brisbane time) cut-off date to:
 - Straits Resources Limited
 - C/-Link Market Services Limited
 - Locked Bag A14
 - Sydney South NSW 1235 Australia
- Vote online at www.linkmarketservices.com.au
- Attend the EGM and vote in person:
 - 10.00am (Brisbane time) on 15 December
 - HopgoodGanim Lawyers
 - Level 7, Waterfront Place
 - 1 Eagle Street, Brisbane QLD 4000

Thank you

Straits Resources Limited

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