



## MINING RESEARCH

### Stratex International Konya Update

2.25p

30 March 2009

Stratex has announced the results of its exploration drilling in the Konya volcanogenic belt. The results, although uneconomic, have substantially improved the company's knowledge of the geological controls and indicated further mineralisation with a fourth porphyry system at Kozlu and the potential for a fifth at Oğlakçı. Teck Cominco's decision not to take up its option on the project is in line with its stated objective of cutting exploration expenditure this year to focus on repaying its bridge and term loans. This leaves Stratex with 100% control of the project.

This move will significantly enhance Stratex's ongoing discussions with a number of parties interested in its exploration portfolio. We believe that the current market capitalisation of nearly £5m substantially undervalues Stratex's assets, which after cash of £3m is only \$2.83 per ounce. We believe that this valuation completely ignores the company's current fully funded exploration.

Stratex has announced the initial results from a reverse circulation drilling programme targeting new porphyry systems in the Konya Volcanic Belt. Ten holes were drilled in total at Doganbey, Gölcük and Karacaören (See Figure 1, page 3).

Four holes were drilled at Doganbey, with two intersecting consistent gold grades. One hole, DOSRC-01, in the southern extension of the Doganbey prospect, returned 155m at 0.15 grammes per tonne (g/t) before it was terminated still in mineralisation (See Table 1, page 2).

At Gölcük, two holes were drilled, again confirming significant gold anomalies above 0.01g/t over significant lengths (40m in GOLRC-01).

Finally four holes were drilled into the Karacaören system with three returning long intersections of over 0.1 g/t Au, including 170m at 0.17 g/t and 70m at 0.27 g/t.

All these results, although not economic in themselves, are indicative of the high prospectivity of the region and Stratex has restated its belief that the district has the potential to host an economic porphyry gold deposit.

This prospectivity is borne out at Kozlu prospect, 3km south-east of Karacaören, where an intrusive breccia carrying porphyry fragments cut by porphyry-type veinlets has been discovered. Anomalous gold values of up to 39 ppb Au and up to 129 ppb Au were recorded in the breccia and altered wallrocks respectively. This is indicative of a porphyry system; the fourth discovered by Stratex in the region.

Further work by Stratex has also highlighted the potential of a further hidden porphyry system at Oğlakçı, in the south-central part of the Konya Volcanic Belt. Soil geochemistry has produced anomalous gold values (up to 45 ppb Au) in soils within a substantial zone of intense hydrothermal alteration or lithocap. This target zone is also underlain by a prominent magnetic-high elliptical anomaly extending 1.5km east-west that may relate to a further near-surface porphyry system.

These results point to the considerable potential of the region which already includes Inlice, where Stratex has defined a JORC-compliant resource of 262,300 oz gold.

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#### SALES & TRADING CONTACTS

See reverse

#### COMPANY DESCRIPTION

An exploration and development company focusing on gold and high value base metals in Turkey

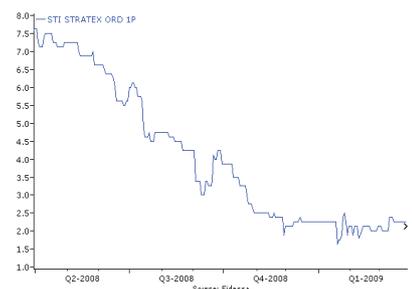
#### INVESTMENT DATA

Ticker	STI
Listing	AIM
No. of shares	234.2m
Market cap	£5.3m
Enterprise value	£2.3m

#### SHAREHOLDERS Holding (%)

Kairos Inv M'tment Ltd	14.47
Orion Trust Ltd	10.98
Nick Graham	9.82
Teck Limited	8.75
David Hall	5.35
Cenkos CI Nominees	4.08
(As of 8 Jan 2009)	

#### 12M SHARE PRICE PERFORMANCE



HansonWesthouse acts as nominated adviser and broker to Stratex International and is paid fees for these services.

For important regulatory disclosures, please refer to the information on page 4 of this report.

**Table 1: Results from RC drilling programme**

Hole no.	Dip	Depth (m)	From (m)	Width (m)	Au (g/t)
<b>Doganbey</b>					
DORC-01	-060°	66.00			No significant intersection >0.1
DORC-01A	-060°	106.00			No significant intersection > 0.1
DORC-02	-060°	240.00	84.00	38.00	0.10
DOSRC-01	-060°	155.00	134.00	155.00	0.17
<b>Golcuk</b>					
GOLRC-01	-060°	252.00			No significant intersection >0.1
GOLRC-02	-060°	124.00			No significant intersection > 0.1
<b>Karacaoren</b>					
KAORC-01	-060°	179.00			No significant intersection > 0.1
KAORC-02	-060°	130.00	4.00	34.00	0.17
			4.00	102.00	0.11
KAORC-03	-060°	205.00	0.00	170.00	0.12
			104.00	66.00	0.18
KAORC-04	-060°	221.00	82.00	70.00	0.27
			182.00	39.00	0.12

Source: Company

## Teck Comino

Teck Cominco has contributed around \$1.6m to the exploration of the Konya region. However, unsurprisingly, given its decision to cut exploration expenditure due to financial problems, the company has decided not spend a further \$1.4m to take up its option on the property and earn in to 51%.

Teck Cominco took a \$5.8bn bridge loan and \$4.0bn in term debt to fund its \$13.0bn acquisition of the Fording Canadian Coal Trust. The bridge loan is due in October and the huge fall in commodity prices, in particular coal, copper, and zinc have meant that Teck is unlikely to be able to repay the entire loan by October. Teck is currently selling non-core assets and potentially core assets to reduce the loan and hopes to refinance the part it cannot pay down, (estimated by Standard and Poor's to be \$3.5bn) over longer term.

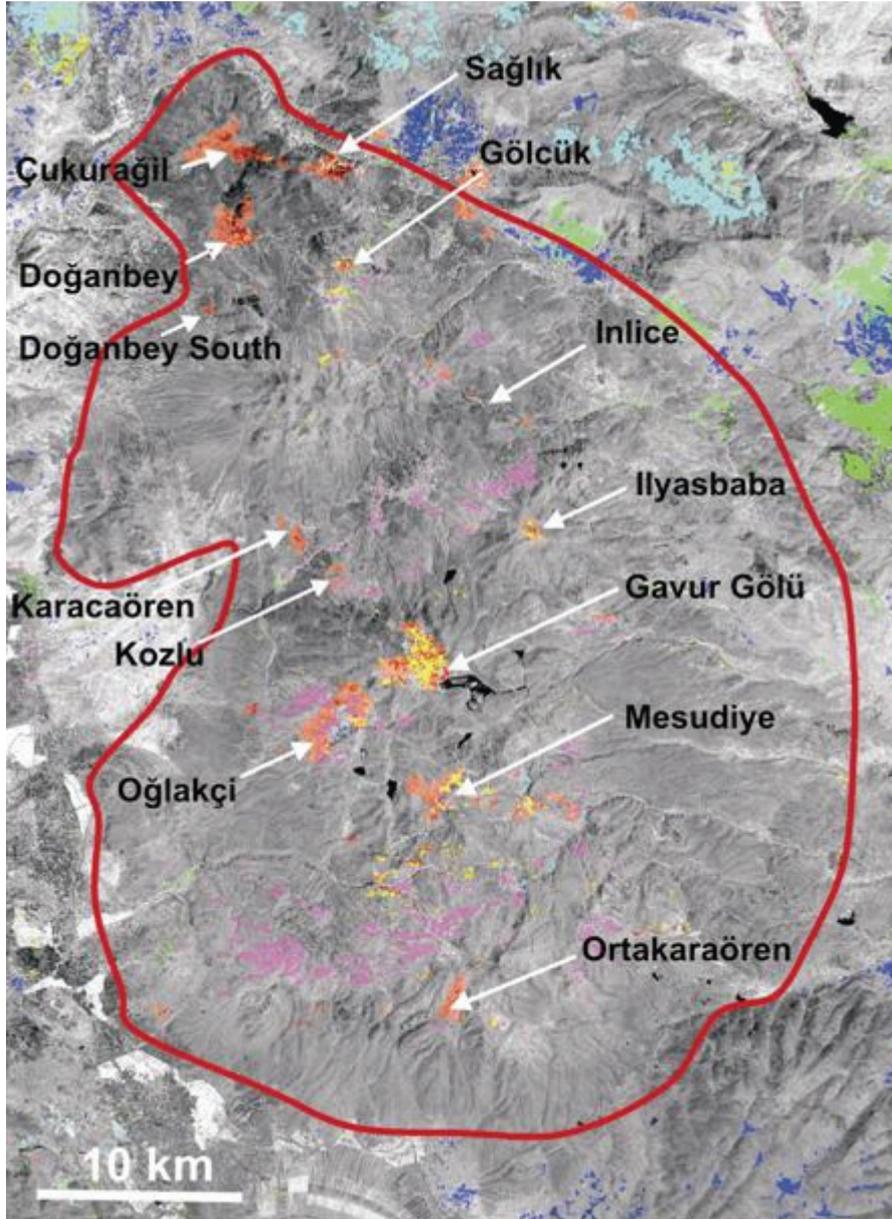
Teck Cominco is a founding shareholder of Stratex and aimed to develop any prospects identified by Stratex with a potential for two million ounces of gold. Teck retains an option on a project.

### Going Forward

Stratex has stated that it is in discussions with a number of parties interested in the company's exploration portfolio, especially targeting Miocene volcanic belts which specifically includes the Konya belt. Now Teck has relinquished its option, Stratex holds 100% of the Konya Project and we expect these discussions to advance unhindered.

Stratex currently has £3.0m in cash and a total declared gold resource across its portfolio of close to 1 million ounces. We believe that the current market capitalisation of nearly £5.0m substantially undervalues Stratex's assets which, if you remove the cash position, is only \$2.83 per ounce with substantial advanced exploration upside.

Figure One: Konya Volcanic Belt



Source: Company

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