

### Company data

#### Stock data as of 03-03-10

Price	GBp3.5
52-w eek range	GBp1.8-GBp4.6
Shares outstanding	286.8 million (mn)
Dividend yield	0.00%
Last-12-month average daily trading volume (AIM)	292,417

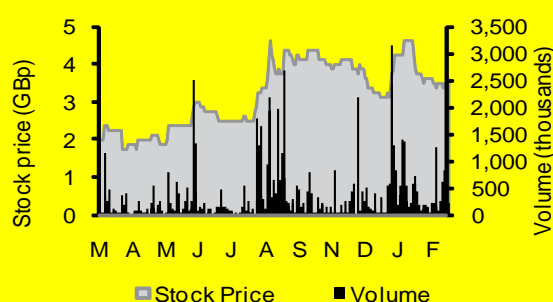
#### Capitalization

Market capitalization	GBP10.0 mn
Enterprise value	GBP6.7 mn
Net debt / equity	0.0%

#### Price performance (%)

	1M	3M	12M
STI	(6.70)	(9.80)	64.30
FTSE AIM ALL Share Index	0.80	3.40	80.10

#### 12-month price volume performance



#### Major shareholders

Name	Capital
Teck Limited	14.32%
Kairos Investment Managemen	13.58%
Orion Trust Ltd.	10.36%
Other	61.74%
Total Shares	100.00%

TIDM code:	STI
ISIN number:	GB00B0T29327
Nominated broker/advisor:	Westhouse Securities
Broker:	Fox-Davies Capital
Bankers:	-
Auditors:	Littlejohn LLP
Law yers:	Edw in Coe LLP
Country of incorporation:	UK
Head Office location:	London
Principal area of operations:	Turkey
Company w ebsite:	w w w .stratexexploration.com
Analyst(s):	Jim Kelleher
DOR	Jim Kelleher

Source: Company data, Bloomberg

### Company description

Stratex plc (STI) is an international exploration and development company focused on finding and developing high-value mineral resources, primarily gold, copper, molybdenum, nickel and zinc. The firm was founded in 2004 and admitted to AIM in 2006.

- **Gold:** In its own right and via an agreement with Teck Cominco Ltd., Stratex has identified a number of gold prospects in central and western Turkey. As of the close of its December 2008 fiscal year, the company had a portfolio of 11 license blocks in Turkey covering 1,724 km with declared gold resources exceeding 1 mn oz.

- **Filling the Portfolio:** Stratex is developing projects throughout its development area. During 2008, the company advanced Altintepe and Inlice projects to the resource definition stage. The company also discovered and acquired the 75.5 sq. km Oksut license area, one of a number of discoveries in new belts of gold mineralisation that it has identified in central Turkey.

- **Working with partners:** During the interim period ended 30 June 2009, Stratex signed an MOU with major Turkish contract mining company NTF Insaat Ticaret Ltd. ("NTF") to form a 55:45 joint venture company. The JV intends to fast-track development of the Altintepe and Inlice gold projects into production within 36 and 18 months, respectively. Additionally, Stratex signed option/JV agreements with Centerra Gold Inc. to advance the Oksut gold project and with Teck Resources Limited to explore and drill the Hasancelebi prospect. Centerra has the option to fund USD6 mn to acquire a 70% interest in Oksut and Teck can spend USD5 mn to acquire 70% of Hasancelebi.

#### Exhibit 1: Key financials

All figures in GBP (000), unless specified	FY 2007A	FY 2008A	FY 2007-08 (%change)
Revenues	0	29	N/A
Operating income	(1,276)	(1,270)	0.5%
Net income	(1,029)	(995)	3.3%
share (pps)	(0.51)	(0.39)	23.5%
Net cash	6,275	3,980	(36.6%)
P/E	N/A	N/A	

Source: Company data, Argus Research estimates



## SWOT

Strengths	Weaknesses
<p><b>Well-established in Turkey</b></p> <ul style="list-style-type: none"> <li>Stratex is a gold-focused company committed to discovering and developing projects through low-cost exploration. The company has a well-balanced portfolio of gold projects being taken to production, advanced discoveries being funded by partners and a pipeline of new discoveries in Turkey and Ethiopia.</li> </ul> <p><b>Partners add cash</b></p> <ul style="list-style-type: none"> <li>The company's cash ran down in 2008 and fell further in the first half of 2009. Stratex funds exploration and development directly and via JV partnerships with Turkish company NTF and international mining companies Centerra Gold and Teck Resources. This provides a risk- and finance-managed approach that enables Stratex to fund its promising projects.</li> </ul>	<p><b>Partners dilute profits</b></p> <ul style="list-style-type: none"> <li>The addition of major partners in Inlice and Altintepe (NTF), in Oksut (Centerra) and in Hasançelebi (Teck Resources) means that Stratex will hold a lessened stake and command a smaller share of the profits -- but minimize financial and technical risk once these projects begin to yield gold.</li> </ul> <p><b>Dependence on a limited geography</b></p> <ul style="list-style-type: none"> <li>While Stratex seeks to develop projects in other areas such as Ethiopia, its operations focus largely on Turkey. This could introduce risk if political and religious turmoil in neighbouring Iraq related to Kurdish relations disrupts the currently stable Turkish government.</li> </ul>
Opportunities	Threats
<p><b>Gold</b></p> <ul style="list-style-type: none"> <li>Gold has generally held up better than other precious metals during the economic turmoil of the past three years, because of its limited industrial use, its presence in global central banks and its popularity as a currency and inflation hedge.</li> </ul> <p><b>An experienced partner</b></p> <ul style="list-style-type: none"> <li>Stratex has now operated successfully in Turkey for several years, and has successfully negotiated with well-funded partners. This has enabled Stratex to pursue projects without resorting to capital markets, keeping the balance sheet strong.</li> </ul>	<p><b>Operating in politically unstable region</b></p> <ul style="list-style-type: none"> <li>Further turbulence in the region could dissuade potential high-quality partners and investors from partnering or investing in the company's projects.</li> </ul> <p><b>Gold prices</b></p> <ul style="list-style-type: none"> <li>Gold prices have backed off highs near USD1,200 to the USD1,000 level. Additional gold price weakness may diminish the economic underpinnings in Turkish projects.</li> </ul> <p><b>Economic factors</b></p> <ul style="list-style-type: none"> <li>A double-dip recession could depress demand and investor interest.</li> </ul>

## Key recent news

**3 February 2010:** Announced the formal signing of a Definitive Agreement with private Turkish company NTF Insaat Ticaret Ltd Sti (NTF) following the MOU announced in June 2009. The agreement sets out the terms whereby NTF will work with Stratex to develop the Inlice and Altintepe gold projects. Upon closure, NTF will pay Stratex USD1 mn immediately; thereafter, NTF will fund feasibility studies up to an amount of USD2 mn prior to moving to production.

**30 November 2009:** First discovery of epithermal gold mineralization and acquisition of extensive licence area over multiple areas of interest in Ethiopia's Rift Valley.

## Management

*David Hall, BSc, MSc, Executive Chairman.* Chairman Hall, a graduate in geology from Trinity College Dublin with a Masters Degree from Queens College, Ontario, has 25-plus years experience in the mineral exploration sector. He has worked on and assessed projects in more than 50 countries. He has held leading executive roles at Minorco and at AngloGold South America.

*Dr. Bob Foster, Bsc, PhD, FIMM,* Chief Executive Officer CEO Foster has over 35 years experience as a professional economic geologist in exploration, mining and applied academic posts and has particular expertise in the genesis and exploration for gold deposits.

The company has reviewed a draft of this profile and factual amendments have been made.