

Regulatory Announcement

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1st March 2007

Stratex International Plc, ('Stratex' or 'the Company') **Preliminary Results**

Stratex International Plc, the AIM quoted international exploration and development company currently focusing on gold and base metal opportunities in Turkey, announces its results for the year ended 31 December 2006.

Chairman's Statement

It gives me great pleasure to report our maiden full year results and update shareholders on the progress we have made in Turkey. Through discoveries we have assembled a quality portfolio of exploration assets including the first significant gold discovery of the 21st century in Turkey - Inlice - where three drill rigs are currently active with a view to delivering our first resource statement in Q2 2007. We control over 300 square kilometres of a potential new gold +/- copper district at Konya, as well as other exciting prospects in our portfolio. In line with this progress, Stratex's share performance has been strong since it joined AIM on 4 January 2006 at 5p, having increased 75% since Admission, making it amongst the leading performers of new entrants to AIM.

In 2006, the groundwork preparation was completed, which will position the Company well for future growth. It is our belief that the best way of creating value in the minerals sector is by discovery, which we believe can be demonstrated by the Inlice gold discovery in the Konya district. This time last year the Inlice project was not yet drill tested but, following the 2006 drilling programme, we now have a number of very encouraging intersections including:

- INDD-1 13.2 metres grading 5.92 g/t Au;
- INDD-10 16.5 metres grading 8.53 g/t Au;
- INDD-11 19.0 metres grading 6.97 g/t Au;
- INDD-13 15.0 metres grading 7.69 g/t Au;

- INDD-15 13.2 metres grading 8.17 g/t Au;
- INDD-19 15.0 metres grading 5.96 g/t Au.

We are well on the way to defining an initial resource figure for the project but the real value, we believe, is in the exploration potential of the property. With three drill rigs active on the property we are drilling to define a resource and also to test the Bati, Ana West and Merkez Zones. A new intersection in any of these areas will have significant implications for the scale of the project.

In November 2006, the world-renowned porphyry and epithermal economic geologist Dr. Richard Sillitoe visited the Inlice and Konya projects with Dr. Stewart Redwood, consultant economic geologist. Dr. Sillitoe made a striking comparison between the Konya volcanic district and the Maricunga gold district in Chile. In the early 1980s the Maricunga district had no known gold or copper mineralisation, but is now an over 40 million ounce gold district with significant copper resources. The analogy with Konya is encouraging in terms of styles of mineralisation and type and age of the volcanic rocks hosting the mineralisation. Until the recent discoveries by Stratex there was no known record of gold mineralisation in the entire Konya Volcanic Belt.

Additionally, Inlice is hosted by the type of Miocene volcanic terrain, which elsewhere in Turkey is well-endowed with mineralisation (e.g. Kisladag gold mine of Eldorado Gold with reserves of 5 million ounces of gold and the Agi Dagi high-sulphidation discovery in the Biga Peninsula), thus lending strong support to the potential of our newly discovered Konya district. Commencement of drilling of the Doganbey porphyry gold prospect 15 kilometres north-west of Inlice in April 2007 is the next important step in our exploration of the district.

The importance of portfolio development is high in our strategy and the Company has a strong pipeline of projects. Using the same technique to identify silica alteration as for the Konya area, we have identified a Konya look-alike area in the Hasancelebi district east of Malatya. One gold-bearing system has been identified and a number of other zones await investigation. In north-western Turkey the Muratdere prospect has the hallmarks of a large porphyry copper-gold-molybdenum system and we plan to start exploration drilling in April 2007.

We have exercised our option from Teck Cominco Limited over the Muratdagi project, having expended US\$500,000 on exploration. The Company completed 2,300 metres of drilling and has confirmed the presence of gold mineralisation in the Karaagac prospect. We will be reviewing the work programme and may seek to add further value by joint venturing the project whilst focusing our funds on priority projects. In addition Stratex has an option from Teck Cominco Limited over the Biga group of properties (Dikmen, Ergama, and Belen prospects) in the highly strategic Biga Peninsula gold belt.

The Board is keen to develop the Company's profile in the London market and elsewhere and has appointed Hanson

Westhouse Limited as our new Nominated Advisor and Broker. Hanson Westhouse is highly experienced in the resource sector and we look forward to working closely with its team and building our investor profile.

The availability and retention of quality experienced people is a major issue in the exploration and mining industry. We are fortunate to have a high quality, experienced management team including, Dr. Bob Foster, C.E.O. and Bahri Yildiz our Turkish General Manager. Due to the progress we have made over the last year and the rapid identification of targets, we are actively recruiting new geologists to boost the team as well as supplying continual training to our young and highly motivated Turkish staff.

In our opinion, the other critical issue in the sector is lack of new discoveries and thus projects with the ability to be developed into new mines. There is evidence of the increasing demand for all metals, which is beneficial for those mines currently in production. However, each mine has a finite resource and the current boom is depleting these resources rapidly. The supply side, through the Exploration & Development sector, is becoming progressively more important. We believe the best way to create value in our business is not by recycling old projects, nor by acquiring known well-explored mineralised properties, but by genuine discoveries of new mineral occurrences with the potential to be developed into large deposits. With Inlice, and other potential deposits in its portfolio, Stratex has demonstrated that it has the ability to deliver these new discoveries.

2007 promises to be another exciting year in Stratex's development, and I thank you for your continuing support.

David J. Hall

Chairman

28 February 2007

Consolidated Income Statement

	Year ended 31 December 2006	Period from 24 August 2004 to 31 December 2005
	£	
	£	
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(570,879)	(256,834)
Exchange gains – net	1,344	93
Operating loss	(569,535)	(256,741)
Finance income	66,351	9,770
Loss before income tax	(503,184)	(246,971)

Income tax credit	16,158	-
Loss for the year attributable to equity holders of the Company	(487,026)	(246,971)
Loss per share for losses attributable to the equity holders of the Company during the year (expressed in pence per share)		
- basic and diluted	(0.34)	(0.33)

Consolidated Balance Sheet

	As at 31 December	
	2006	2005
	£	£
ASSETS		
Non-current assets		
Property, plant and equipment	27,961	3,570
Intangible assets	731,701	79,302
Trade and other receivables	41,457	15,035
Deferred tax asset	16,151	-
	817,270	97,907
Current assets		
Trade and other receivables	140,550	27,675
Cash and cash equivalents	1,563,170	177,977
	1,703,720	205,652
Total Assets	2,520,990	303,559
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Ordinary shares	1,536,167	1,000,000
Share premium	2,170,743	-
Other reserves	(534,656)	(484,138)
Accumulated losses	(719,693)	(246,971)
Total equity	2,452,561	268,891
LIABILITIES		
Non-current liabilities		
Employee termination benefits	1,152	-
Deferred tax liabilities	593	-

1,745	-
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Current liabilities

Trade and other payables	66,684	34,668
	66,684	34,668
Total equity and liabilities	2,520,990	303,559

Consolidated Statement of Changes in Equity

	Share Capital £	Share Premium £	Merger Reserve £	Accumulated Loss £	Translation Reserve £	Total Equity £
Balance on incorporation	-	-	-	-	-	-
Issue of ordinary shares	1,000,000					1,000,000
Merger reserve	-	-	(485,400)	-	-	(485,400)
Consolidated loss for the period	-	-	-	(246,971)	-	(246,971)
Movement on translation reserve	-	-	-	-	1,262	1,262
Balance at 31 December 2005	1,000,000	-	(485,400)	(246,971)	1,262	268,891
Issue of ordinary shares	536,167	2,559,433	-	-	-	3,095,600
Share Options – value of employee services	-	-	-	14,304	-	14,304
Costs of share issue	-	(388,690)	-	-	-	(388,690)
Consolidated loss for the year	-	-	-	(487,026)	-	(487,026)
Movement on translation reserve	-	-	-	-	(50,518)	(50,518)
Balance as 31 December 2006	1,536,167	2,170,743	(485,400)	(719,693)	(49,256)	2,452,561

Consolidated Cash Flow Statement

	Year ended 31 December 2006	Period from 24 August 2004 to 31 December 2005
	£	
Cash flows from operating activities		
Net cash used in operating activities	(662,264)	(265,021)
Cash flows from investing activities		
Purchases of property, plant and equipment	(30,612)	(4,892)
Purchases of intangible assets	(644,592)	(76,480)
Interest received	66,351	9,770
Net cash used in investing activities	(608,853)	(71,602)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	2,656,310	514,600
Net cash used in financing activities	2,656,310	514,600
Net increase in cash and cash equivalents	1,358,193	177,977

Cash and cash equivalents at beginning of the period	177,977	-
Cash, and equivalents at end of the year	1,563,170	177,977

Notes to the Financial Statements

1. General information

The principal activity of Stratex International plc ('the Company') and its subsidiaries (together 'the Group') is base metal exploration and development. The Company completed a listing on AIM on 4 January 2006.

The address of its registered office is 212 Piccadilly, London, W1J 9HG.

These group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2007.

2. Summary of significant accounting policies

A summary of the principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), IFRIC interpretations and those parts of the Companies Act, 1985 applicable to companies reporting under IFRS. The financial statements have been prepared under historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Basis of consolidation

Stratex International plc was incorporated on 24 October 2005. On 21 November 2005 Stratex International plc acquired the entire issued share capital of Stratex Exploration Ltd by way of a share for share exchange. The transaction has been treated as a Group reconstruction, and has been accounted for using the merger accounting method. Accordingly the financial information for the current period and comparatives has been presented as if Stratex Exploration Ltd had been owned by Stratex International plc throughout the current and prior periods.

Notwithstanding that the first period of accounts for Stratex International plc are for the period from 24 October 2005 to 31 December 2006, comparatives have been prepared for the period ended 31 December 2005 as Stratex International Plc did not trade prior to 31 December 2005.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between group enterprises are eliminated on consolidation.

Intangible assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation asset are assessed for impairment when facts and circumstances suggest that the carrying amount of any asset

may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units which are based on geographical areas.

Where the exploration for and evaluation of mineral resources in cash generating units does no lead to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities at that unit, the associated expenditures will be written off to the Income Statement.

3. Expenses by nature

	2006	2005
	£	£
Employee benefit expense	182,925	7,886
Fees paid to related parties	49,260	76,000
Consultant geologist services	76,519	41,711
Depreciation, amortisation and impairment charges	3,064	824
Other expenses	259,111	130,413
Total cost of sales, distribution costs and administrative expenses	570,879	256,834

4. Cash generated from operations

	2006	2005
	£	£
Loss before income tax	(503,184)	(246,971)
Adjustments for :		
– Employee services for issue of share options	14,304	-
– Depreciation	4,600	1,545
– Interest income on short term loans	(66,351)	(9,770)
– Foreign exchange movements on operating activities	(5,504)	(1,783)
Changes in working capital (excluding the effects of exchange differences on consolidation)		
– Trade and other receivables	(139,297)	(42,710)
– Trade and other payables	33,168	34,668
Cash generated from operations	(662,264)	(265,021)

5. Dividend

The Directors do not recommend the payment of a dividend.

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Notes to editors

Stratex International Plc is an AIM-quoted exploration and development company currently focusing on gold and base metal opportunities in Turkey. Directed by a highly experienced resource sector management team, Stratex's activities aim to identify quality mineral resources, primarily gold, silver, copper, molybdenum, zinc, and nickel.

The Company has a Strategic Alliance with Teck Cominco Limited, a diversified mining company headquartered in Vancouver, Canada. Teck Cominco holds 13.35% of the Company. This enables the two parties to pool expertise, skills and databases to identify potential projects. Technical and financial risks are also being reduced through the alliance with a major metal producer providing additional project funding, a wealth of technical expertise and a ready buyer for new resources ensuring rapid returns from discoveries.

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