

## Regulatory Announcement

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**Company**            [Stratex International PLC](#)  
**TIDM**                STI  
**Headline**           Final Results  
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### **Stratex International Plc, (“Stratex” or the “Company”) Final 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 2007.

#### **HIGHLIGHTS**

- Initial gold resource at Inlice defined and at a cost of less than US\$2 per ounce;
- Teck Cominco exercise back-in right early on Konya projects;
- £7 million fund raising and issue over-subscribed;
- Altintepe: early encouraging results and aim to substantially increase on current 311,543 oz resource.

#### **CHAIRMAN’S STATEMENT**

2007 has been an excellent year for the Company. We have grown our gold resource base from zero to over 800,000 ounces, which we aim to further define and increase in the coming year. In addition, given that the gold price was US\$688 when we announced the Inlice resource and is now above US\$975, the value of the Company has increased both through resource addition and through the price of the product.

In May 2007 we advanced the Inlice gold discovery to an initial ore resource estimation of 372,971 contained ounces of gold. The discovery rate and cost at Inlice is something we are very proud of; 97 ounces per metre drilled and less than US\$2 per ounce.

Work has progressed at Inlice with further drilling aimed at increasing the level of confidence of the resource as well as scoping studies on metallurgy and an initial environmental study. It is our intention, along with our strategic partner, Teck Cominco Limited (“Teck Cominco”), to review all of this development work and plan the future path for Inlice accordingly.

The Inlice discovery was the catalyst for the definition of the Konya district. Your Company proved the concept that the Konya volcanics are host to large areas of lithocap (areas of altered rock commonly associated with porphyry and epithermal gold deposits). This was done at a cost of some US\$150,000. The work also convinced Teck Cominco Limited’s Turkish subsidiary, Teck Cominco Arama ve Madencilik San. Tic. A.S., to exercise back-in rights on three of the four projects at greater than the 2.5 times expenditure. The option to earn 51% by expending US\$3 million over three years was a significant uplift on the value of our asset at such an early stage.

The Konya play has been aggressively pursued since the agreement, with the completion of an airborne magnetic geophysical survey, detailed stream sediment sampling and soil grids, mapping of major silica zones as well as scout drill testing of the Doğanbey porphyry gold system. As you can imagine, this is generating large volumes of data and we are working closely with Teck Cominco on integrating this data into a state-of-the-art Geographic Information System and applying latest geological models to aid target definition.

The Company’s success was recognised by the market in July when we closed a £7 million placement when had hoped to reach £5 million. Even then we were oversubscribed!

Whilst Konya has been a key focus for us, Stratex is not a company to stand still and has a number of other very exciting projects underway at various stages of development. At the Altintepe project in north-eastern Turkey, we are getting encouraging results where a substantial resource of 311,543 oz gold already exists. The target is to increase this resource with focus on easily treatable oxide material whilst still exploring for the ultimate dream 2 million ounce, US\$1.9 billion in-situ blockbuster discovery!

We continue to gather ideas from current projects to aid development, which we are using in tandem with our in-house knowledge base to define new areas where Stratex can make discoveries and add value to the Company. We have been looking at other areas in Turkey with similar geology to that of Konya and we are using geological models for porphyry gold and high-sulphidation mineralisation together with our in-house geochemical and alteration databases to assist in prioritising these areas. The early stages of this work, something we are now calling “Proof of Concept”, is not market news but you will hear a lot more through the coming year as we develop these targets and advance them to drill definition stage.

We are now extending this Proof of Concept exploration to other metallogenic belts with the aim of defining new district plays. This is being done in consultation with Teck Cominco who continue to provide valuable support and advice. The intimate link of a dynamic Exploration & Development company such as Stratex, with a leading mining company, in this case Teck Cominco, enables focused work more likely to deliver genuine results, so we are delighted with this strengthening relationship.

In the past twelve months both Paul Foord and Andrew Malim stepped down from their roles as Non-executive Directors. This in no way reflects on the Company but only that Paul and Andrew felt new commitments would not allow them to devote as much time as they would like to their duties. We respect their decisions entirely and wish them all the best in the future.

We were pleased to announce the appointment of Christopher Hall as a new Non-executive Director, who was previously the in-house mining adviser providing specialist support, principally with AIM quoted resource companies, at Grant Thornton LLP, UK. I believe Christopher’s wide-ranging technical and financial experience will be of more than considerable value to the Company.

We are all extremely excited about the potential of the Company and the direction we are moving in. Results from our drilling campaigns aimed at proving the economic potential of our projects are increasingly encouraging and we expect the year ahead to be just as active with a steady flow of comprehensive news. We understand the importance of investor relations and to this end we presented at the Mines and Money conference last year in London and hosted a site visit to Konya for institutional shareholders and selected press, both of which were highly successful. In order to maintain close links with our shareholders, we have recruited a dedicated Investor Relations/Corporate Development, manager, Claire Palmer, who will be happy to answer shareholder queries.

Thank you for your continuing support.

David J. Hall  
Chairman  
10th March 2008

**Consolidated Income Statement – by function of expense**

	Year ended 31 December 2007 £	Year ended 31 December 2006 Restated £
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(1,270,654)	(645,106)
Exchange gains/(losses) – net	(5,678)	1,344
Operating loss	(1,276,332)	(643,762)
Finance income	247,014	66,351
Loss before income tax	(1,029,318)	(577,411)
Income tax (expenses)/credit	3,559	16,158
Loss for the year attributable to equity holders of the Company	(1,025,759)	(561,253)
Loss per share for losses attributable to the equity holders of the Company during the year (expressed in pence per share)		
- basic and diluted	(0.51)	(0.39)

## Consolidated Balance Sheet

	As at 31 December	
	2007	2006
	£	Restated £
<b>ASSETS</b>		
Non-current assets		
Tangible assets	99,728	27,961
Intangible assets	1,970,931	731,701
Trade and other receivables	79,813	41,457
Deferred tax asset	56,327	16,151
	2,206,799	817,270
Current assets		
Trade and other receivables	481,216	140,550
Cash and cash equivalents	6,274,553	1,563,170
	6,755,769	1,703,720
<b>Total Assets</b>	<b>8,962,568</b>	<b>2,520,990</b>
<b>EQUITY</b>		
Capital and reserves attributable to equity holders of the Company		
Ordinary shares	2,340,669	1,536,167
Share premium	8,185,929	2,101,342
Other reserves	141,732	(376,724)
Accumulated losses	(1,816,093)	(808,224)
<b>Total equity</b>	<b>8,852,237</b>	<b>2,452,561</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Employee termination benefits	2,477	1,152
Deferred tax liabilities	33,843	593
	36,320	1,745
Current liabilities		
Trade and other payables	74,011	66,684
	74,011	66,684
<b>Total equity and liabilities</b>	<b>8,962,568</b>	<b>2,520,990</b>

### Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Merger Reserve	Share Option Reserve	Accumulated Loss	Translation Reserve	Total Equity
	£	£	£	£	£	£	£
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 period	-	-	-	-	(487,026)	-	(487,026)
Movement on translation reserve	-	-	-	-	-	(50,518)	(50,518)
Balance at 31 December 2006 as previously stated	1,536,167	2,170,743	(485,400)	14,304	(733,997)	(49,256)	2,452,561
Share Options – value of	-	-	-	74,227	(74,227)	-	-

employee services

Share Options – value of services received	-	(69,401)	-	69,401	-	-	-
Balance at 31 December 2006 as restated	1,536,167	2,101,342	(485,400)	157,932	(808,224)	(49,256)	2,452,561
Issue of ordinary shares	804,502	6,346,622	-	-	-	-	7,151,124
Share Options – value of employee services	-	-	-	243,909	-	-	243,909
Share Options – exercise of options	-	33,674	-	(51,564)	17,890	-	-
Costs of share issue	-	(295,709)	-	-	-	-	(295,709)
Consolidated loss for the year	-	-	-	-	(1,025,759)	-	(1,025,759)
Movement on translation reserve	-	-	-	-	-	326,111	326,111
Balance as 31 December 2007	2,340,669	8,185,929	(485,400)	350,277	(1,816,093)	276,855	8,852,237

## Consolidated Cash Flow Statement

	Year ended 31 December 2007 £	Year ended 31 December 2006 Restated £
Cash flows from operating activities		
Net cash used in operating activities	(1,208,593)	(662,264)
Cash flows from investing activities		
Purchases of property, plant and equipment	(80,586)	(30,612)
Purchases of intangible assets	(1,209,505)	(644,592)
Interest received	247,014	66,351
Net cash used in investing activities	(1,043,077)	(608,853)
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	6,855,415	2,656,310
Funds received from related party	107,638	-
Net cash used in financing activities	6,963,053	2,656,310
Net increase in cash and cash equivalents	4,711,383	1,385,193
Cash and cash equivalents at beginning of the period	1,563,170	177,977
Cash and equivalents at end of the year	6,274,553	1,563,170

## Notes to the Financial Statements

### 1. General information

The principal activity of Stratex International plc ('the Company') and its subsidiaries (together 'the Group') is exploration for, and development of, precious and base metal deposits. The Company was admitted to 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 7<sup>th</sup> March 2008.

The Annual General Meeting of Stratex International plc will be held on 28 April 2008. Venue to be decided.

### 2. Summary of significant accounting policies

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. A summary of the more important group accounting policies is set out below.

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.

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 not 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. Restatement of prior period

The amounts previously reported as at 31 December 2006 have been restated in respect of share based payments to employees and third parties. This is reflected in operating expenses, share premium and accumulated reserves of 31 December 2006.

### 4. Expenses by nature

	2007 £	2006 Restated £
Employee benefit expense	509,739	257,152
Fees paid to related parties	60,303	49,260
Consultant geologist services	93,465	76,519
Depreciation, amortisation and impairment charges	125,643	3,064
Other expenses	481,504	259,111
Total cost of sales, distribution costs and administrative expenses	1,270,654	645,106

### 5. Cash generated from operations

	2007 £	2006 Restated £
Loss before income tax	(1,029,318)	(577,411)
Adjustments for :		
– Services for issue of share options	243,909	88,531
– Depreciation	18,908	4,600
– Write off exploration projects	118,001	-
– Interest income on short term loans	(247,014)	(66,351)
– Interest income on intercompany indebtedness	-	-
– Foreign exchange movements on operating activities	57,291	(5,504)
Changes in working capital (excluding the effects and exchange differences on consolidation)		
– Trade and other receivables	(379,022)	(139,297)
– Trade and other payables	8,652	33,168
Cash generated from operations	(1,208,593)	(662,264)

## 6. Dividend

The Directors do not recommend the payment of a dividend.

**\* ENDS \* \***

For further information visit [www.stratexinternational.com](http://www.stratexinternational.com) or contact:

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