

STRATEX INTERNATIONAL

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In just over 12 months Turkey-focused gold explorer Stratex has progressed its Inlice gold discovery in from an early stage exploration play to an advanced project with an initial gold resource of 373,000oz.

Stratex has an extensive portfolio of projects in Turkey including Doganbey and Muratdere, and has only tested a small fraction of available targets.

Turkey is a relatively low risk operating environment. The government actively encourages foreign mining investment and has a track record of facilitating new gold projects into production. There is excellent infrastructure and few native title and environment issues.

The outlook for gold remains positive. We value Stratex at £27.4m (17.8p/share) based on the peer group average of \$US50/oz and nominal values for exploration and an alliance with Canadian major Teck Cominco.

Given the relatively lower political risk in Turkey, the expanding Inlice project and the blue-sky exploration potential, Stratex currently appears to be undervalued and we expect it to rapidly expand its resource base over the next 12 months.

Stratex represents a cheap entry point to a fast growing gold play.